

# WHITMAR EXPLORATION COMPANY

555 17th Street, Suite 880  
Denver, CO 80202-3908  
(303) 991-9400  
Fax (303) 991-9401

January 15, 2007

Mr. Eric Jones  
Bureau of Land Management  
Moab Field office  
82 East Dogwood  
Moab, UT 84532

RE: Application for Permit to Drill- WhitMar Exploration Company  
34-3, 759' FWL, 308' FSL, SW/4 SW/4, Section 34, T13S-R11E, Carbon County, Utah.

Dear Mr. Jones:

WhitMar Exploration respectfully submits the enclosed original and two copies of the Application for Permit to Drill (APD) for the above referenced well. Please let this application also serve a right-of-way for the pipelines along the access roads to the well sites. Included with the APD is the following supplemental information:

Form 3160-3  
Exhibit "A" Well Location Plat  
Drilling Program  
Exhibit "B" BOP Equipment Diagram  
Exhibit "C" Choke Manifold  
Surface Use Plan  
Exhibit "D" Well Location Map  
Exhibit "E" Well Vicinty Map  
Exhibit "F" Mile Radius Map  
Exhibit "G" Central Facilities Layout  
Exhibit "H" not used  
Exhibit "I" Water line Map  
Exhibit "J" Pipeline Map  
Exhibit "K" Pad Construction Data  
Exhibit "L" Cut and Fill Data  
Exhibit "M" Typical Section  
Exhibit "N" Rig Layout

Please accept this letter as WhitMar's, written request for confidential treatment of all information contained in and pertaining to this application.

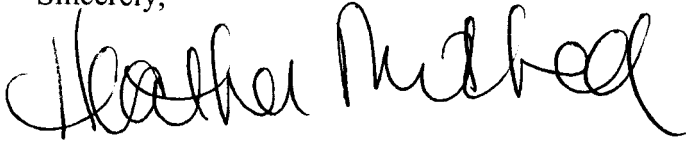
**RECEIVED**

**JAN 17 2008**

**DIV. OF OIL, GAS & MINING**

Thank you for your timely consideration of this application. Please feel free to contact me with any questions or requests for further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Heather Mitchell". The signature is fluid and cursive, with the first name "Heather" written in a larger, more prominent script than the last name "Mitchell".

Heather Mitchell  
WhitMar Exploration Company

Cc: Diana Mason , DOGM, State Office.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

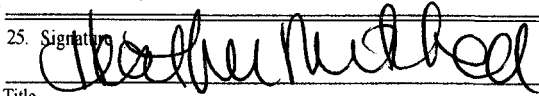
FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU80556
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator WhitMar Exploration Company		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 555 17th Street, Suite 880, Denver, CO 80202	3b. Phone No. (include area code) 3033-991-9400	8. Lease Name and Well No. 34-3
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 308' FSL 759' FSL SW SW 527469X 39.646246 At proposed prod. zone same as above 4388335Y -110.679853		9. API Well No. 43-007-31344
10. Field and Pool, or Exploratory <del>Helper</del> Undesignated		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 34-T13S-11E
14. Distance in miles and direction from nearest town or post office* 8.8 miles from Wellington		12. County or Parish Carbon
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 759 FWL, 308 FSL		13. State UT
16. No. of acres in lease 1640		17. Spacing Unit dedicated to this well N/A
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1573' S & 2370 W		20. BLM/BIA Bond No. on file 104195928
19. Proposed Depth 3000		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5850 GL
22. Approximate date work will start* 05/01/2008		23. Estimated duration 10 Days

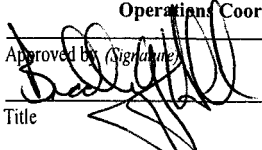
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM.             |

25. Signature 	Name (Printed/Typed) Heather Mitchell	Date 01/15/2008
--	--	--------------------

Title  
Operations Coordinator

Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 02-19-08
--	---	------------------

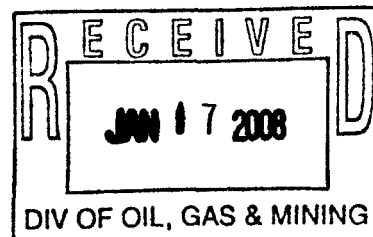
Title  
Office ENVIRONMENTAL MANAGER

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

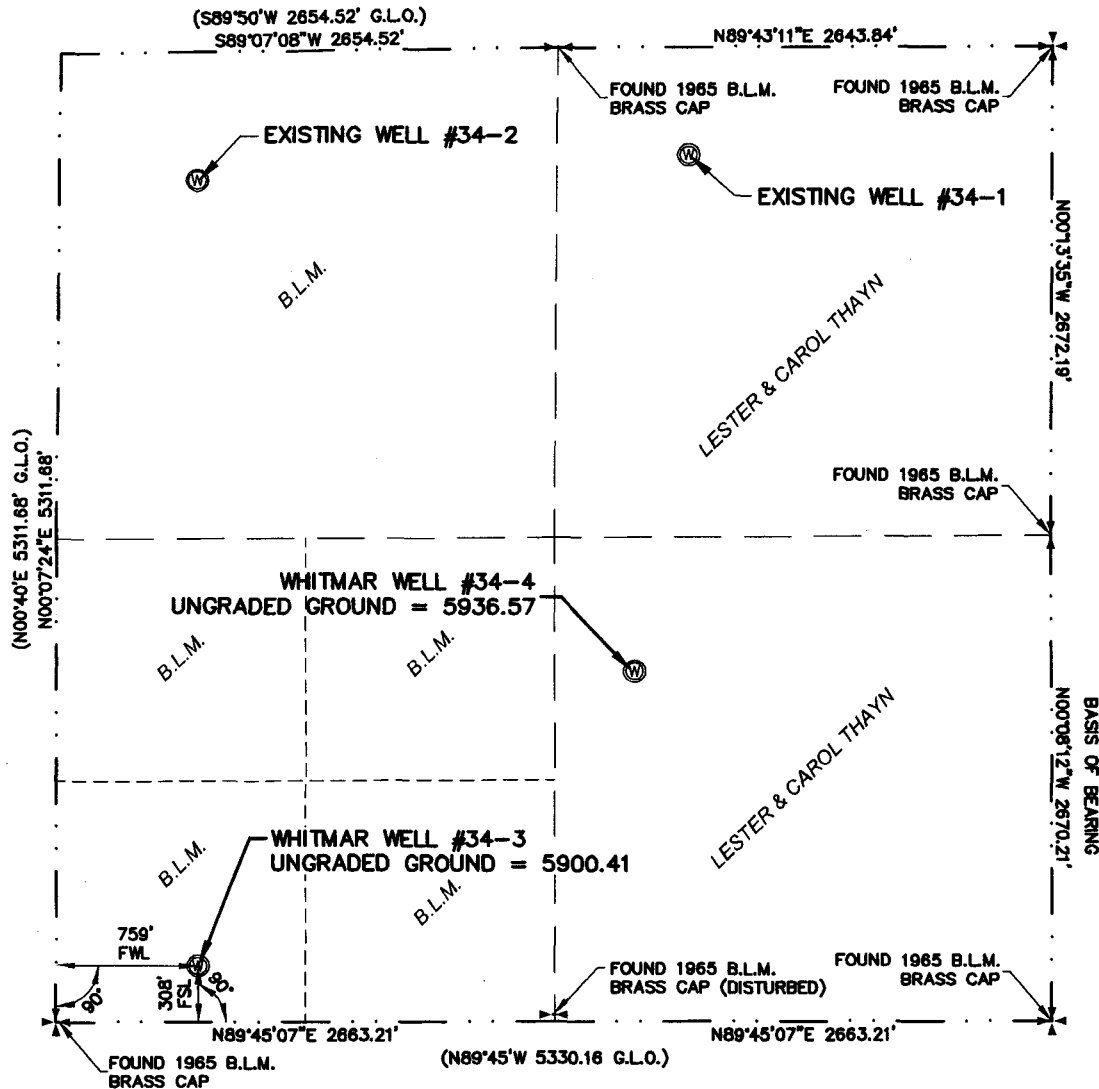
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

Federal Approval of this  
Action Is Necessary



# Section 34, T.13 S., R.11 E., S.L.B. & M.



## BASIS OF BEARINGS

BASIS OF BEARING USED WAS N00°08'12"W BETWEEN THE SOUTHEAST CORNER AND THE EAST QUARTER CORNER OF SECTION 34, T.13 S., R.11 E., S.L.B. & M.  
LATITUDE = 39°38'49.1084" (39.64697456) NAD 83  
LONGITUDE = -110°40'50.9260" (-110.68081278) NAD 83

## PROJECT

**Whitmar Exploration Company**

WELL LOCATION, LOCATED AS SHOWN IN THE S.W. 1/4 OF THE S.W. 1/4 OF SECTION 34, T.13 S., R.11 E., S.L.B. & M., CARBON COUNTY, UTAH

## LEGEND

- ✚ = SECTION CORNERS LOCATED
- ✚ = QUARTER SECTION CORNERS LOCATED
- ⊙ = PROPOSED WELL HEAD

NOTE: THE PURPOSE OF THIS SURVEY WAS TO PLAT THE WHITMAR WELL #34-3 LOCATION. LOCATED IN THE S.W. 1/4 OF THE S.W. 1/4 OF SECTION 34, T.13 S., R.11 E., S.L.B. & M., CARBON COUNTY, UTAH.

## BASIS OF ELEVATION

BASIS OF ELEVATION OF 5850' BEING AT THE SOUTHEAST CORNER OF SECTION 34, T.13 S., R.11 E., S.L.B. & M. AS SHOWN ON THE U.S.G.S. DEADMAN CANYON QUADRANGLE 7.5 MINUTE SERIES MAP AS 5861'



## CERTIFICATE

THIS IS TO CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION, AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

TREVOR R. GADD, L.S. #343638

DATE

EXHIBIT "A"



**Jones & DeMille Engineering**

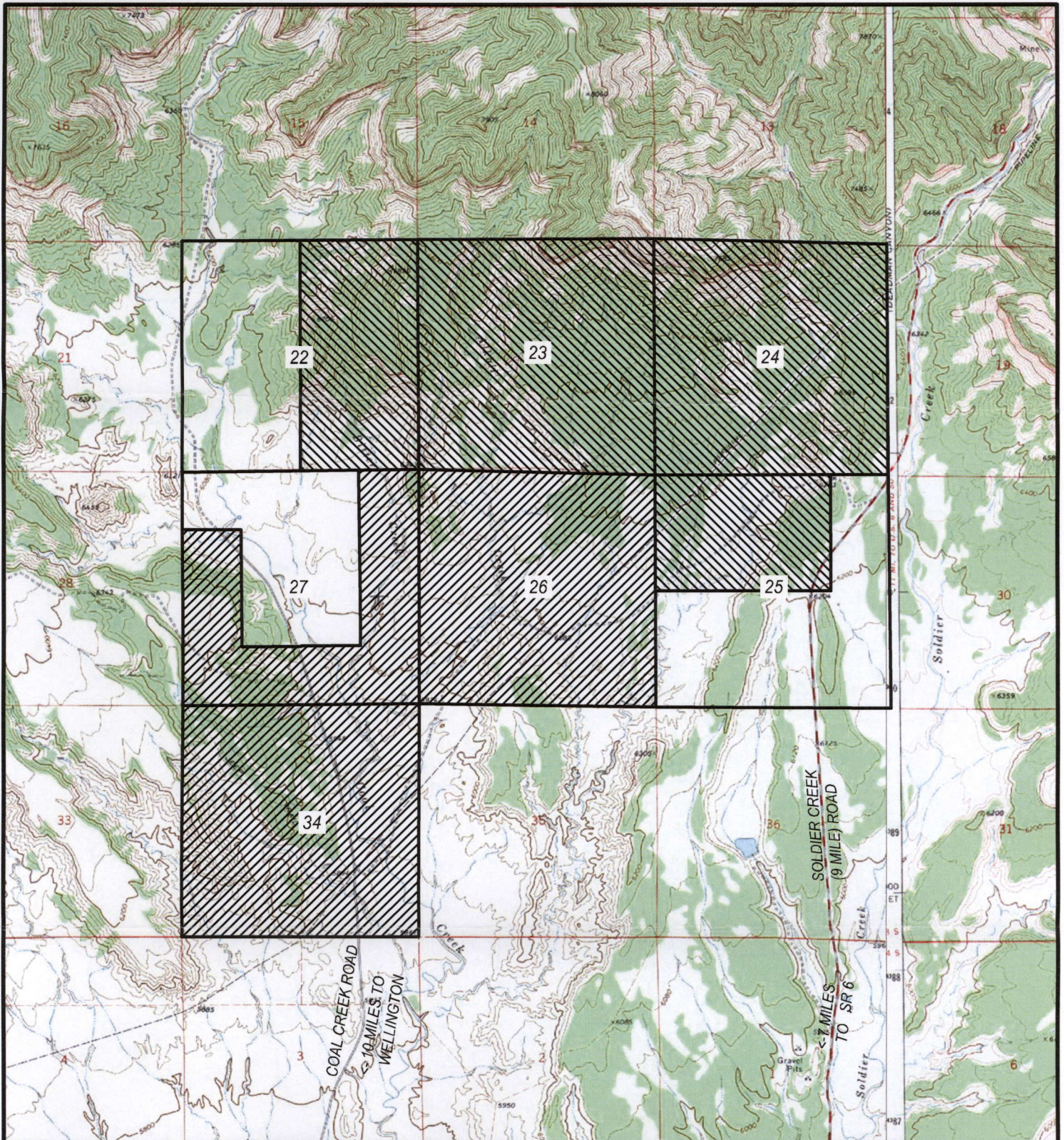
1535 South 100 West - Richfield, Utah 84701  
Phone (435) 896-8266  
Fax (435) 896-8268  
www.jonesanddemille.com

Well Location Plat for

**Whitmar Exploration Company**

DESIGNED	SURVEYED	CHECKED	DRAWN	PROJECT NO.	SHEET NO.
—	J.J.	T.R.G.	C.D.S.	0708-110	1
DATE	08/14/07	OWNERS	SCALE		
		WELLLOC343	1"=1000'		





# LEGEND

UTU 80555



UTU 80556



WHITMAR EXPLORATION COMPANY

CARBON COUNTY

FIGURE: A

WHITMAR EXPLORATION

LEASE BOUNDARY MAP



Jones & DeMille Engineering

1535 South 100 West - Richfield, Utah 84701

Phone (435) 896-8266 Fax (435) 896-8268

www.jonesanddemille.com



SCALE: 1"=3000'

DRAWN: K.J. 09-07

PEN TBL: \_1stndrd4r2800.ctb

PROJECT: 0708-110

SHEET:

CHECK: B.B. 09-07

FILE: LEASEBNDYEX-HIB

LAST UPDATE: 9/27/2007

1



# MEMORANDUM

Date: December 17, 2003  
 To: Whitney Marvin  
 From: Les White  
 Subject: Surface and Mineral Ownership For Selected Parcels of Land

<u>Legal Description</u>	<u>Mineral Owner</u>	<u>Surface Owner</u>
<u>Township 13 South, Range 11 East</u>		
Section 13: W2	Iriart Family	Iriart Family
Section 13: E2	USA	USA
Section 14: N2	Iriart Family	Iriart Family
Section 14: S2	USA	USA
Section 15: E2NE	Iriart Family	Iriart Family
Section 15: E2SE, W2E2, E2W2, SWSW	USA	USA
Section 15: SWNW, NWSW	?	Robert Miller
Section 15: NWNW	Verdis Barker	Verdis Barker
Section 22: E2, E2W2, W2NW	USA	USA
Section 22: W2SW	Lester Thayn	Lester Thayn
Section 23: All	USA	USA
Section 24: All	USA	USA
Section 25: E2E2,	Various	Canyon Fuel
Section 25: W2SE, SESW, S2SWNE, E2NESW	USA	Canyon Fuel
Section 25: NWNE, NW, N2SWNE, E2SW, W2NESW	USA	USA
Section 26: All	USA	USA
Section 27: E2, N2NW, SENW, NESW	Lester Thayn	Lester Thayn
Section 27: SWNW, W2SW, SESW	USA	USA
Section 34: E2	USA	Lester Thayn
Section 34: W2	USA	USA
Section 35: All	USA	USA
<u>Township 14 South, Range 11 East</u>		
Section 3: N2NE	USA	Lester Thayn
Section 3: S2NE, W2, SE	USA	USA

Drilling Program  
WhitMar Exploration Company  
34-3  
SW/4 SW/4, Section 34-T13S-11E  
759' FWL, 308' FSL  
Carbon County, Utah

1. Geologic Surface Formation  
Blue Gate Shale Member of the Mancos Shale

2. Estimated Geologic Tops

<u>Marker</u>	<u>Depth (MD)</u>
Mancos Blue Gate Marker	2,200'
Ferron Sandstone	2,500
Total Depth	3,000

3. Projected Gas & Water Zones

Ferron coals and sandstones                      2,500 to 2,900

No groundwater is expected to be encountered. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling."

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 1000 psi.

4. The Proposed Casing and Cementing Programs

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE &amp; JOINT</u>	<u>CONDITION</u>
17'	50'	12 1/4	Conductor & PE Pipe	New
12-1/4"	350'	8-5/8	24# J-55 ST&C	New
7-7/8"	2900'	5-1/2	15.5# J-55 ST&C	New

Cement Program – Every attempt will be made to bring cement back to surface  
Surface Casing    200 sacks Howco Premium Plus V + CaCl + Flocele;  
                            Weight: 15.6 #/gal  
                            Yield: 1.20 cu. Ft/sk

Production Casing: 90 sacks Howco CBM Light LCM

Weight: 10.5 #/gal

Yield: 4.59 cu. Ft/sk

80 sacks Howco CBM Light

Weight 13.0 #/gal

Yield: 1.99 cu.ft/sk

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventers tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and result.

5. The Operator's minimum Specifications for Pressure Control

See the Schematic diagram of the BOP Equipment, Exhibit "B" and a diagram of Choke Manifold, Exhibit "C". A double gate 2000 psi BOP will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP;s will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-50'	17" hole	Drill with air
50'-350'	12-1/4" hole	Drill with air, will mud up if necessary.
350'- TD	7-7/8" hole	Drill with air, will mud up if necessary. 500 psi @ 1500-2300 Scf.

If fluid is necessary it will be fresh water + Quick Gel + Pac-R + Therma-Thin + Barolift at 8.5 – 8.8 #/gal maximum.

7. The Testing, Logging and Coring Programs are as follows

350'-TD      Neutron-Density, PEX-AITH

Overpressuring

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 1000 psi

max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

#### Lost Circulation

Previous drilling records in this area indicate potential lost circulation while drilling or cementing the production casing for the wells. We plan to include lost circulation material in the production cement and have lost circulation material/additives on location while drilling.

8. Anticipated Starting Date and Duration of the Operations.

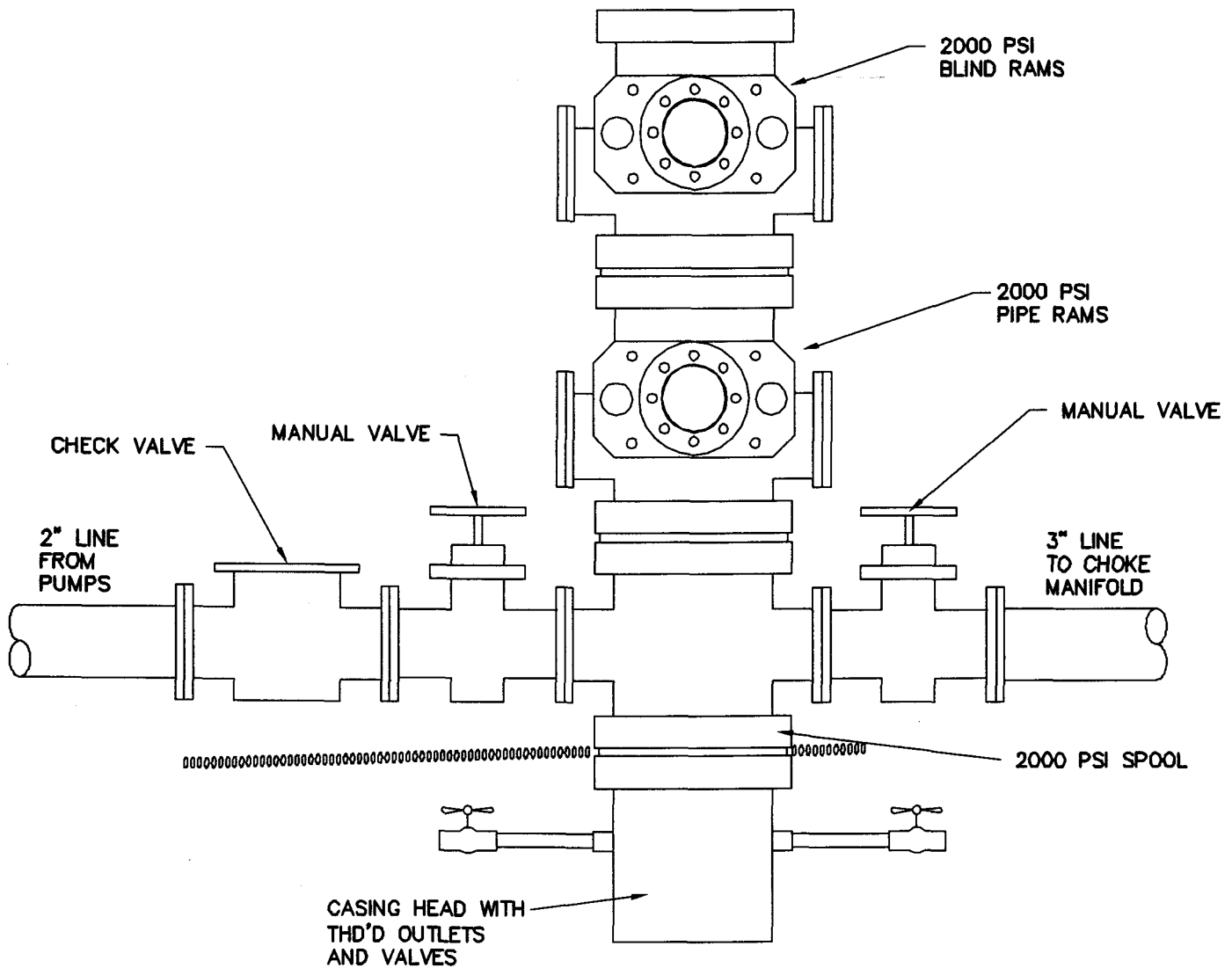
The well will be drilled approximately: May 1, 2008

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Bureau of Land Management;

- (A) Prior to beginning construction;
- (B) Prior to spudding;
- (C) Prior to running any casing or BOP tests;
- (D) Prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Bureau of Land Management immediately.

# BOP EQUIPMENT 2000 psi WP



SCHEMATIC WELL HEAD

EXHIBIT "B"



WHITMAR EXPLORATION COMPANY



**Jones & DeMille Engineering**

1535 South 100 West - Richfield, Utah 84701  
(435) 896-8266 Phone  
(435) 896-8268 Fax  
www.jonesanddemille.com

**WHITMAR EXPLORATION**

**BOP EQUIP. & SCHEMATIC WELL HEAD**

Section 34, T.13 S., R.11 E., S.1.E. & M.  
300' FSL 759' FVL

SCALE: NA

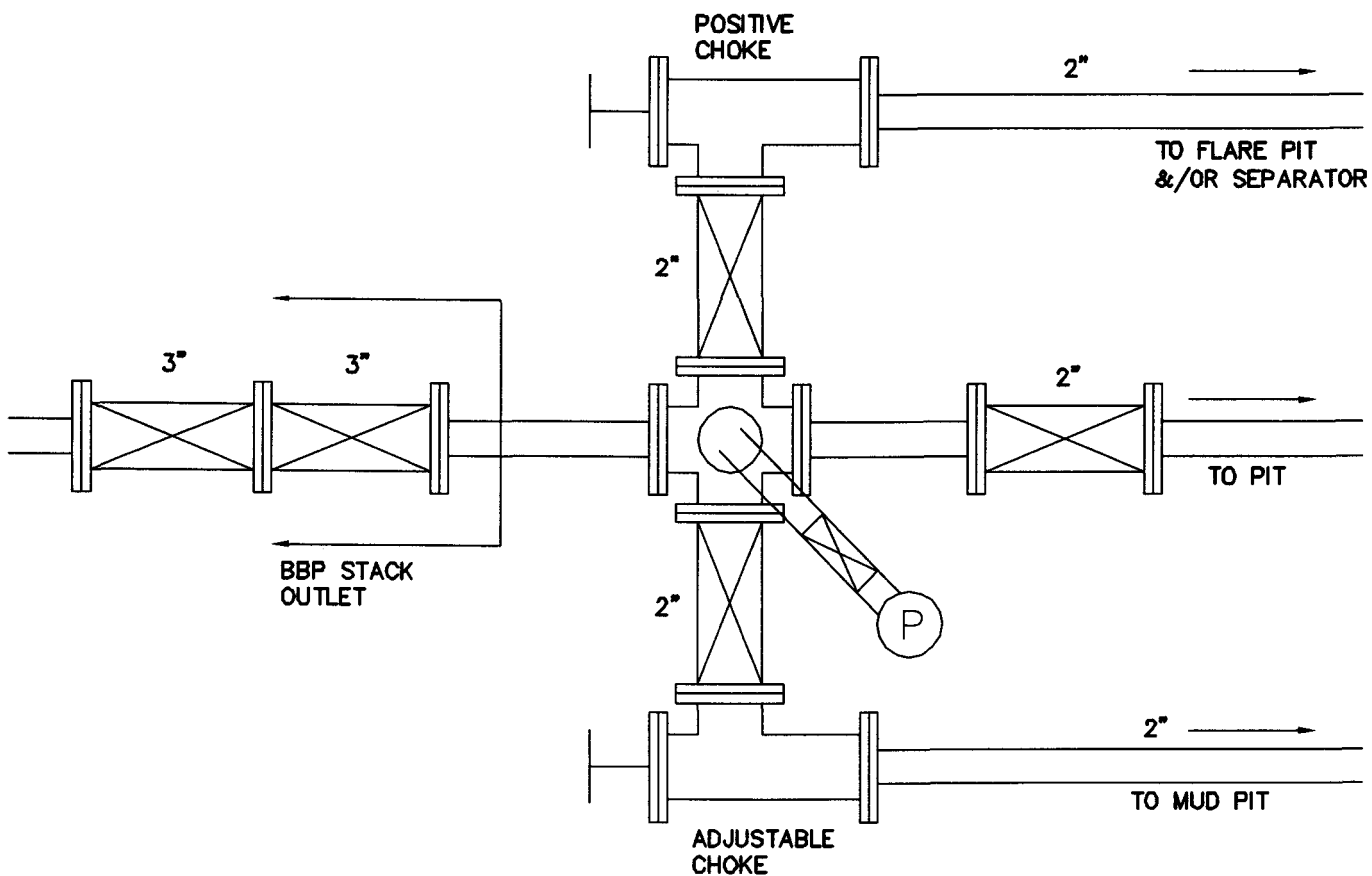
ENG: B.B.

PROJ.#: 0708-110

DATE: 01/10/2008

DWG.BY: J.E.S.

DWG.NAME: eadit\_34-3



CHOKE MANIFOLD

EXHIBIT "C"



WHITMAR EXPLORATION COMPANY



**Jones & DeMille Engineering**

1535 South 100 West - Richfield, Utah 84701  
(435) 896-8266 Phone  
(435) 896-8268 Fax  
www.jonesanddemille.com

**WHITMAR EXPLORATION**

**#34-3 Choke Manifold**

Section 34, T.15 S., R.11 E., S.1 E. & M.  
800' F&L 750' F&L

SCALE: NA

ENG: B.B.

PROJ.#: 0708-110

DATE: 01/10/2008

DWG.BY: J.E.S.

DWG.NAME: exhibit\_34-3

Bureau of Land Management  
Application for Permit to Drill  
Company: WhitMar Exploration  
Well No. 34-3  
Location: Section 34, T13S, R11E SLB& M  
Lease No.: Federal UTU 80556  
Onsite Inspection Date: October 24, 2007

### THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

1. Existing Roads:

- a. Proposed route to location: From Wellington take HWY 6/HWY 191 East. Turn left (North) on to East Coal Creek Road and take for +/- 7.89 miles. Turn left (Northwest) on existing access road +/- 0.30 miles. Travel South West on New Road for +/- 0.62 miles to location. See exhibit "D."
- b. Location of proposed well in relation to town or other reference point: Approximately 8.8 miles North East of Wellington.
- c. Encroachment permit is already in place for the use of Coal Creek Road.

2. Planned Access Roads:

- a. Location: From existing access road turn Southwest toward location approximately 3273.6'. Planned access begins at a point approximately 2515' FEL and 1881' FSL. See exhibit "E."
- b. Length of new access road to be constructed: Approximately 3273.6'
- c. Length of existing roads to be upgraded: None
- d. Maximum total disturbed width: 55'
- e. Maximum travel surface width: 25'
- f. Maximum grades: 10%
- g. Turnouts: None
- h. Surface materials: Native
- i. Drainage (crowning, ditching, culverts, etc): Roads will be crowned with bar ditches on both sides with approximately 2 culverts placed along the new road.
- j. Cattleguards: No cattleguards or gates are anticipated at this time
- k. Length of new and/or existing road which lie outside the lease boundary for which a BLM right-of-way is required: None
- l. Other;

Surface disturbance and vehicular travel will be limited to the approved location access road. Any additional area needed must be approved by the area manager in advance.

If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right of way until the associated APD is approved. The holder will



adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right of way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. IN the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of the boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of the automatic amendment.

If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within the 60 days of dismantling of the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing wells- On a map show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well location, and describe the status of each: See Exhibit "F".
4. Location of Production Facilities:
  - a. On-site Facilities; See Diagram of Schematic Well Head, Exhibit "B"
  - b. Off-site facilities: See Central Facilities Map, Exhibit "G" attached
  - c. Pipelines: Approximately 3273.6' of pipeline corridor containing 2 (gas and water) 4" pipelines will be installed along the south side of the proposed road in the same trench as the power line. See exhibits "I" & "J"
  - d. Power lines: Approximately 3273.6' of pipeline corridor containing one 3 phase power line will be installed along the south side of the proposed road in the same trench as the pipeline.

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with Occupation Safety and Health Act (OSHA) may be excluded. Colors will be as follows: Olive Black.

All site security guidelines identified in 43 CFR 3163.7-5 and Onshore oil and Gas Order No. 3 Colors will be as follows: olive black

If a gas meter is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to the first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4.

Production facilities on location may include a lined or unlined produced water pit. If water is produced from the well, an application must be submitted.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or shown on a map). All water needed for drilling will be obtained from a local municipal water source. Since this well will be primarily drilled with air, minimal water will be needed.

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is federally owned, show location on a map): Private Owner in Wellington, Utah.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2.

Any gravel will be obtained from a state approved gravel pit.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

The reserve pit will be located inbound and along the Northwest side of the pit.

The reserve pit will be constructed so as not to leak, break or allow discharge.

The reserve pit will be lined and bermed as designated by BLM officers prior to construction. Pit wall will be sloped no greater than 2 to 1.

The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary, but no later than at the completion of the drilling operations.

8. Ancillary Facilities: Garbage containers and portable toilets.
9. Well Site Layout- The pit, rig, cut and fill, topsoil, etc. on a plat with a scale of 1"-50'. See Exhibits "K", "L," "M" & "N".

All well, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.

Access to the well pad will be from the: NORTH EAST

The blooie line will be located: At least 75 feet from the well head.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection will be employed: Water injection.

10. Plans for Restoration of the Surface:

The top 6 inches of topsoil material, trees and woody debris, will be removed from the location and stockpiled separately on: Adjacent and undisturbed land in a windrow fashion.

No pad material will be sidecast into the wash during construction. We will berm around the pad to avoid water from running on and off location.

Topsoil, trees and woody debris will be saved along the access road will be reserved in place adjacent to the road.

Immediately upon the completion of drilling, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be re-contoured to replicate the natural slope.  
Musk Thistle will be sprayed.

The stockpiled topsoil, trees and woody debris will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between Sept. and Nov., or at a time specified by the BLM. If seed is broadcast, a harrow or some other implement, will be dragged over the seed area to assure seed coverage.

The following seed mixture will be used: BLM recommended mixture.

The abandonment marker will be one of the following, as specified by the BLM:

- 1) at least four feet above ground level,
- 2) at restored ground level, or
- 3) below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footage).

11. Surface and Mineral Ownership:

Surface Owner: BLM

Surface Representative: BLM

Mineral Ownership: Federal: Bureau of Land Management

12. Other Information:

- a. Archeological Concerns: An intensive Cultural Resource Survey and Inventory was performed for WhitMar Exploration by Senco-Phenix and was submitted to the BLM archaeologist..

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO) within five (5) working day, the AO will inform the operator as to:

1. Whether the materials appear eligible for the National Register of Historic Places;
2. The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
3. a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

- b. Threatened and Endangered Species Concerns: None that the operator is aware of.
- c. Wildlife Seasonal Restrictions (yes/no); See Environmental Impact Statement (EIS).
- d. Off Location Geophysical Testing; N/A
- e. Drainage crossings that require additional State or Federal approval: None
- f. Other:

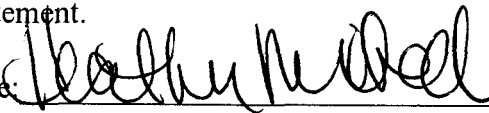
13. Lessee's or Operator's Representative and Certification:

Representative: Whitney Marvin- Landman, President and Chairman  
WhitMar Exploration Company  
555 17<sup>th</sup> Street, Suite 880  
Denver, CO 80202  
303-991-9400 x 106  
Heather Mitchell- Operations Coordinator  
WhitMar Exploration Company  
555 17<sup>th</sup> Street, Suite 880  
Denver, CO 80202  
303-991-9400 ext. 112

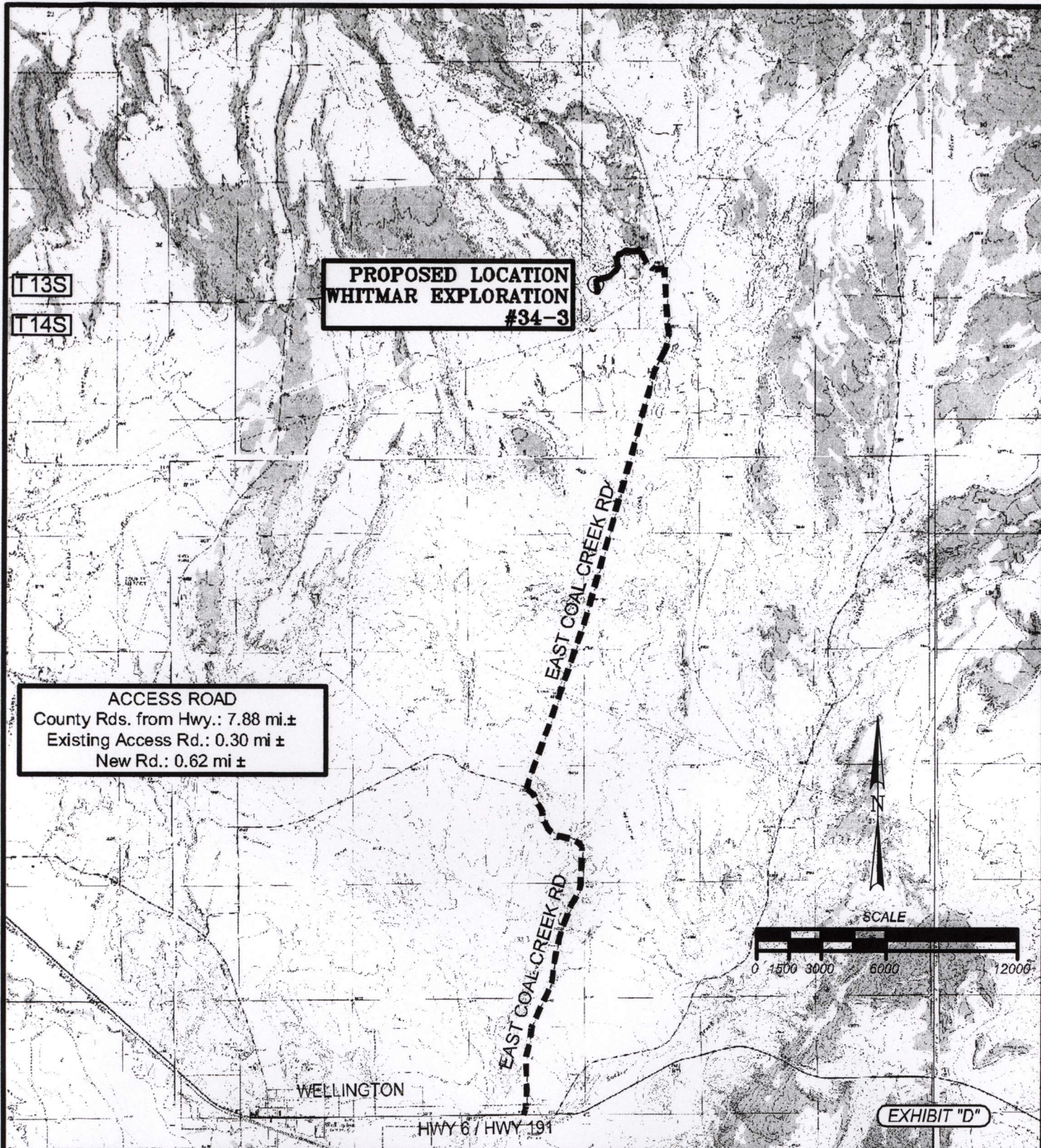
Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by WhitMar and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with the bond coverage being provided under WhitMar's BLM bond. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Signature:

 Date: 1/15/08

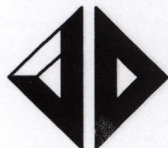




**LEGEND**

○ PROPOSED LOCATION  
 --- EXISTING ROAD  
 --- NEW ROADWAY  
 --- EXISTING COUNTY ROAD  
 --- NEEDING UPGRADE

**WHITMAR EXPLORATION COMPANY**



**Jones & DeMille Engineering**  
 1535 South 100 West - Richfield, Utah 84701  
 (435) 896-8266 Phone  
 (435) 896-8268 Fax  
 www.jonesanddemille.com

**WHITMAR EXPLORATION**  
**#34-3 Well Location Map**  
 Section 34, T.13 S., R.11 E., S.1.E. & M.  
 306' FEL 759' FWL

SCALE: 1:6000	ENG.: B.B.	PROJ.#: 0708-110
DATE: 01/10/2008	DWG.BY: J.E.S.	DWG.NAME: Location Map



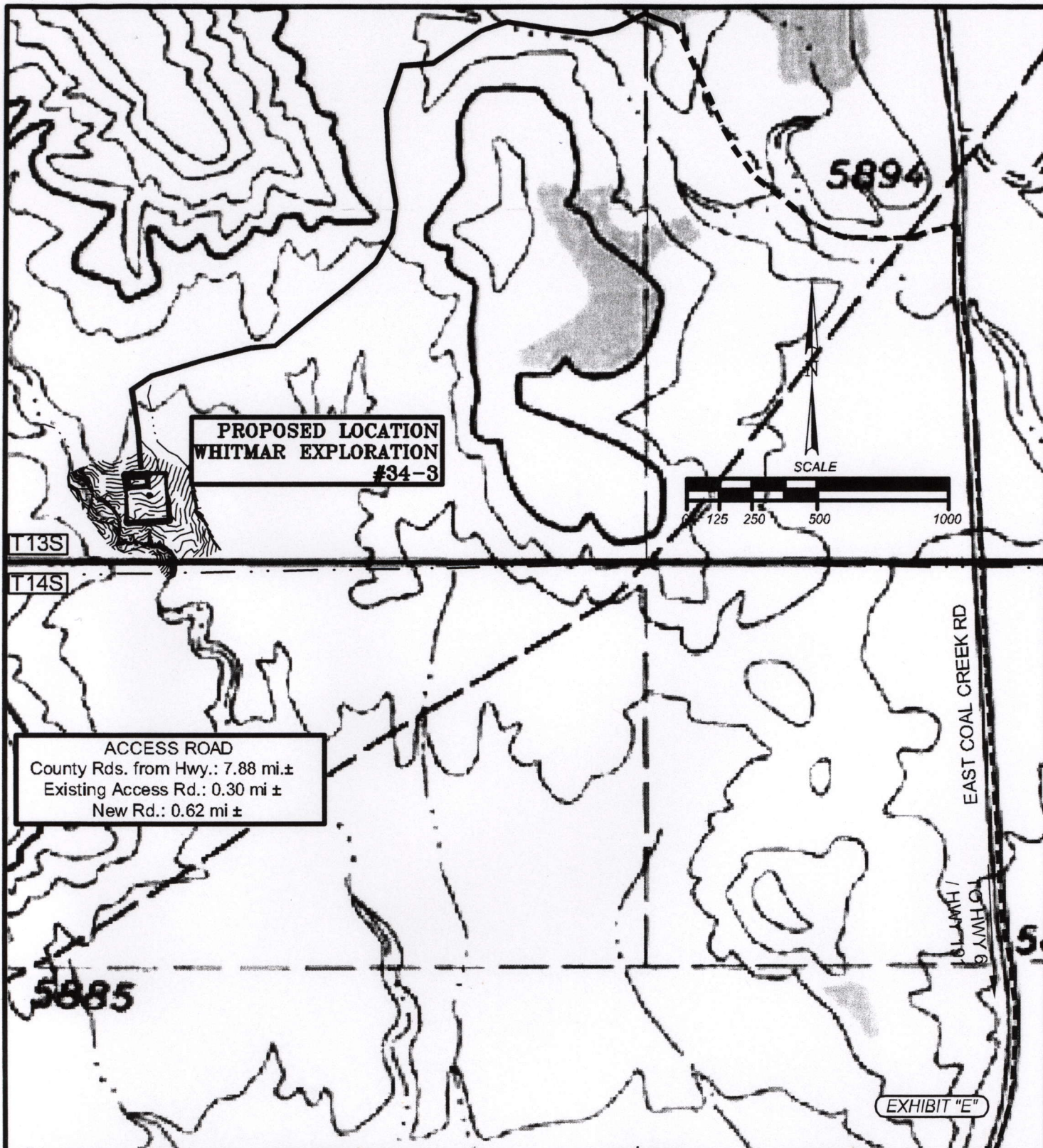
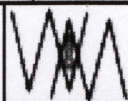


EXHIBIT "E"

#### LEGEND

- PROPOSED LOCATION
- EXISTING ROAD
- NEW ROADWAY
- EXISTING COUNTY ROAD NEEDING UPGRADE



WHITMAR EXPLORATION COMPANY



**Jones & DeMille Engineering**

1535 South 100 West - Richfield, Utah 84701  
 (435) 896-8266 Phone  
 (435) 896-8268 Fax  
[www.jonesanddemille.com](http://www.jonesanddemille.com)

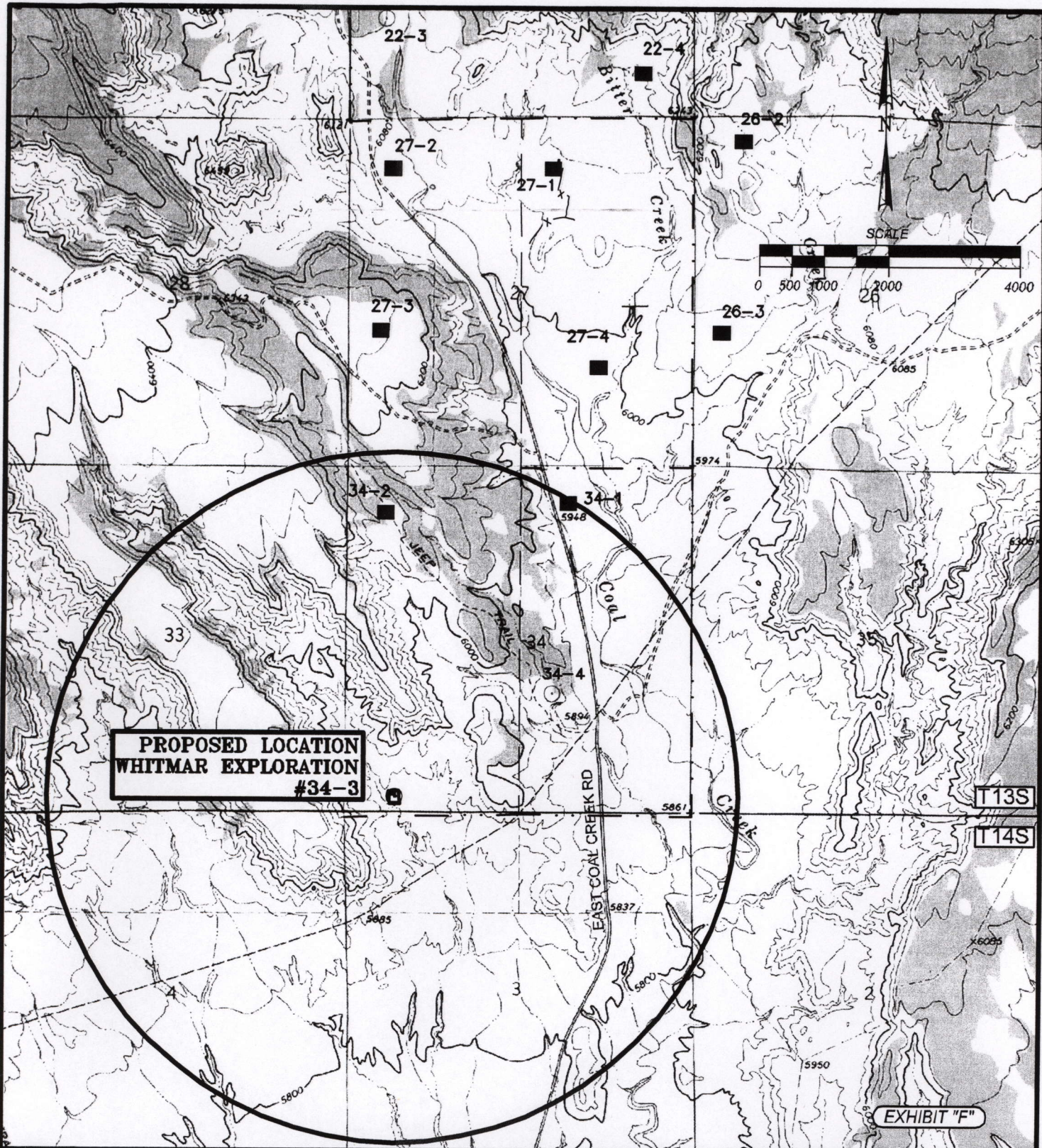
**WHITMAR EXPLORATION**

**#34-3 Well Vicinity Map**

Section 34, T.13 S., R.11 E., S.L.B. & M.  
 306' FSL 759' FWL

SCALE: 1:500	ENG.: B.B.	PROJ.#: 0708-110
DATE: 01/10/2008	DWG.BY: J.E.S.	DWG.NAME: Location Map





**Jones & DeMille Engineering**

1535 South 100 West - Richfield, Utah 84701  
(435) 896-8266 Phone  
(435) 896-8268 Fax  
[www.jonesanddemille.com](http://www.jonesanddemille.com)

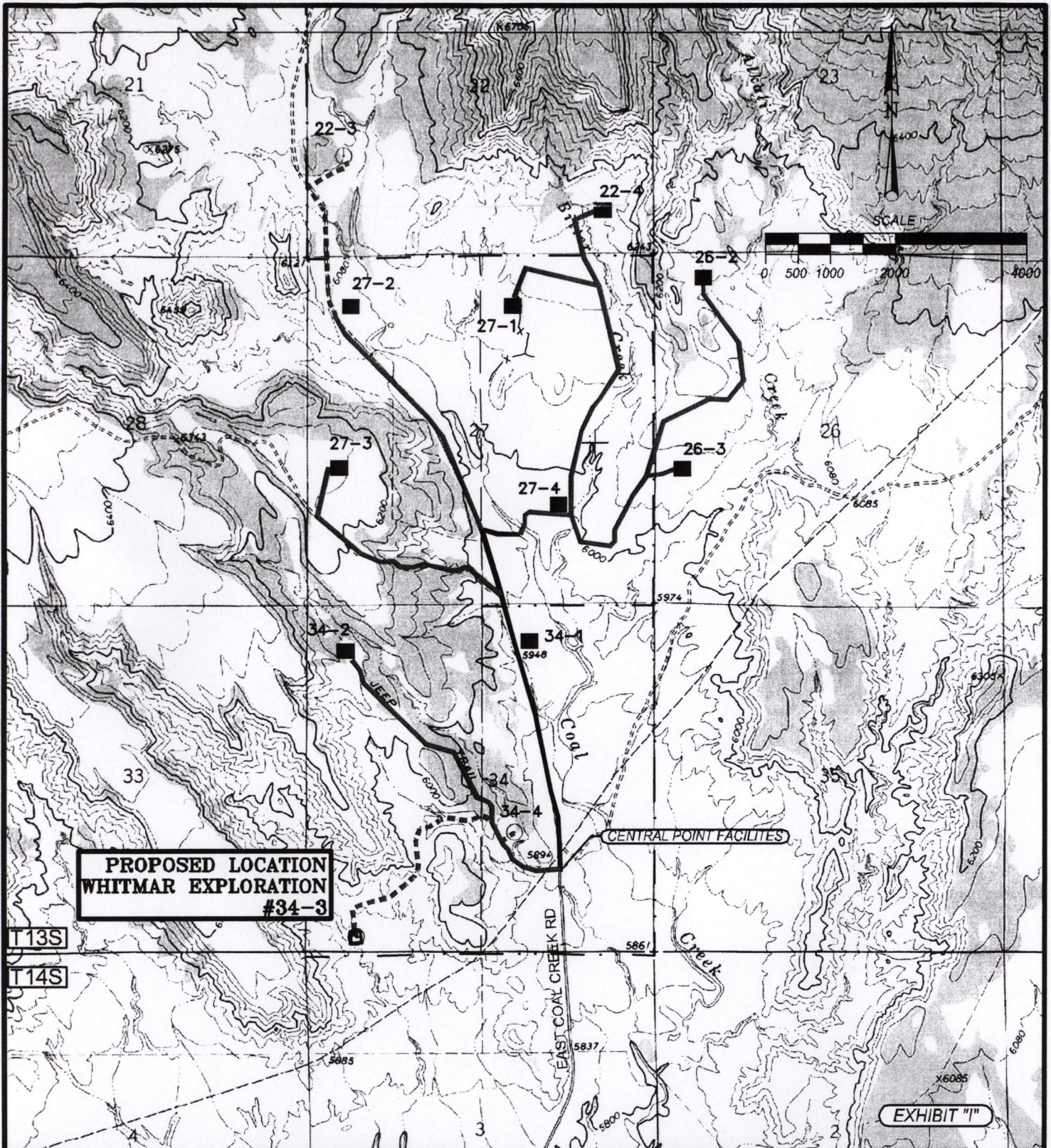




1535 South 100 West – Richfield, Utah 84701  
(435) 896-8266 Phone  
(435) 896-8268 Fax  
[www.jonesanddemille.com](http://www.jonesanddemille.com)

DWG.NAME: exhibit\_34-3



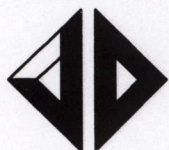


# LEGEND

- PROPOSED LOCATION
- PROPOSED 4" SDR 11 HDPE
- ===== 6" SDR 9 HDPE
- ===== 8" SDR 9 HDPE
- EXISTING WELL



**WHITMAR EXPLORATION COMPANY**



**Jones & DeMille Engineering**

1535 South 100 West - Richfield, Utah 84701  
(435) 896-8266 Phone  
(435) 896-8268 Fax  
www.jonesanddemille.com

**WHITMAR EXPLORATION**

**#34-3 Water Line Map**

Section 34, T.13 S., R.11 E., S.L.B. & M.  
808' FSL 769' FWL

SCALE: 1:2000

ENG.: B.B.

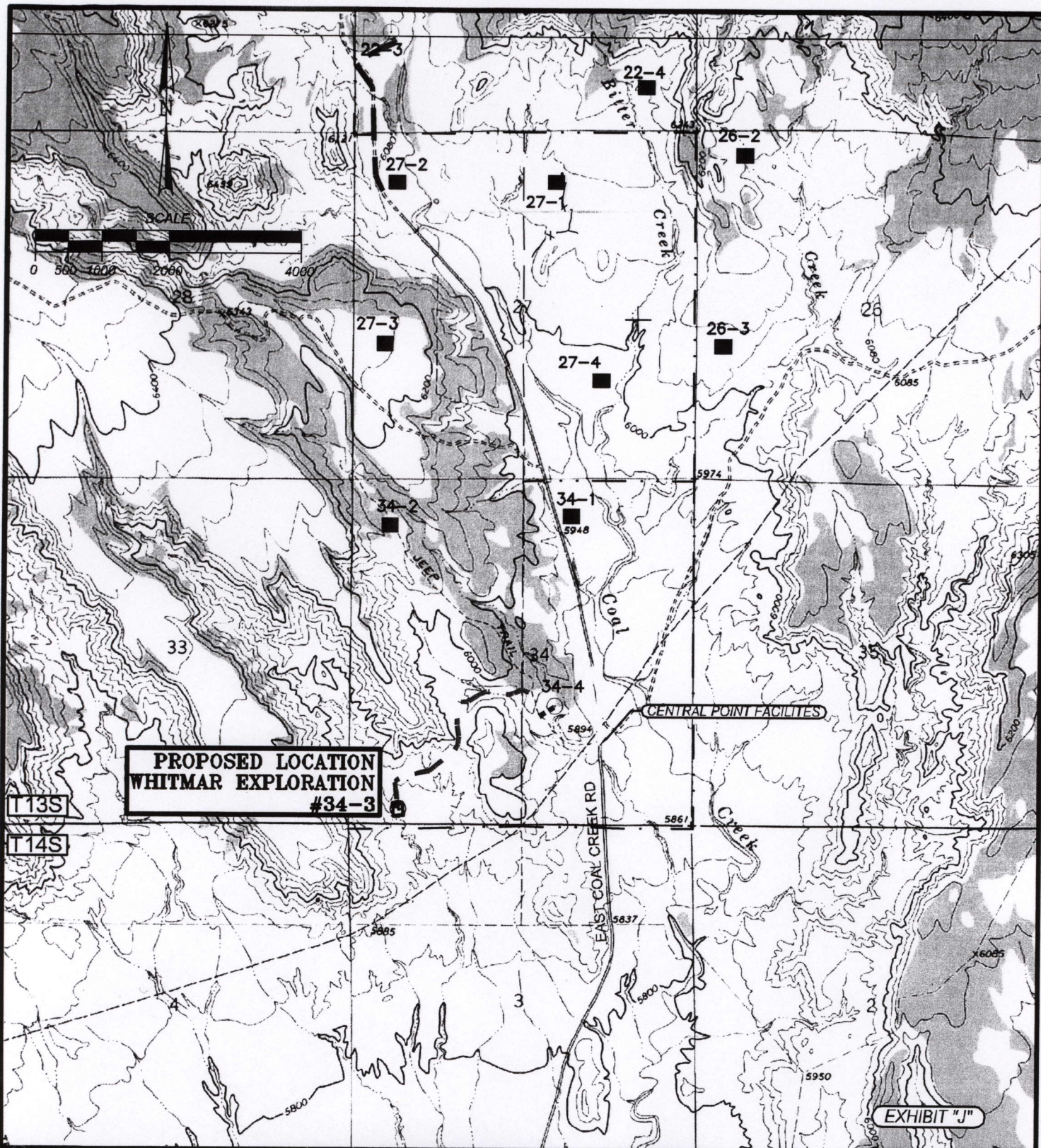
PROJ.#: 0708-110

DATE: 01/10/2008

DWG.BY: J.E.S.

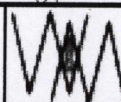
DWG.NAME: exhibit\_34-3



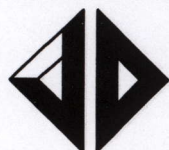


# **LEGEND**

	PROPOSED LOCATION		6" SDR 11 HDPE		EXISTING WELL
	4" SDR 11 HDPE		10" SDR 11 HDPE		PROPOSED 4" SDR 11 HDPE
			12" SDR 11 HDPE		
			12" SDR 13.5 HDPE		



**WHITMAR EXPLORATION COMPANY**



## **Jones & DeMille Engineering**

1535 South 100 West - Richfield, Utah 84701  
(435) 896-8266 Phone  
(435) 896-8268 Fax  
[www.jonesanddemille.com](http://www.jonesanddemille.com)

## **WHITMAR EXPLORATION**

### **#34-3 Pipeline Map**

Section 34, T.13 S., R.11 E., S.L.B. & M.  
308' FSL 759' FWL

SCALE: 1:2000	ENG: B.B.	PROJ.#: 0708-110
DATE: 01/10/2008	DWG.BY: J.E.S.	DWG.NAME: exhibit_34-3



**PAD CONSTRUCTION DATA**

TOPSOIL STRIPPING = 21 C.Y. (6" DEPTH)

RAW VOLUMES (INCLUDES TOPSOIL):

CUT = 1763 C.Y.

FILL = 1235 C.Y.

PAD DISTURBANCE AREA = 0.747 ACRES

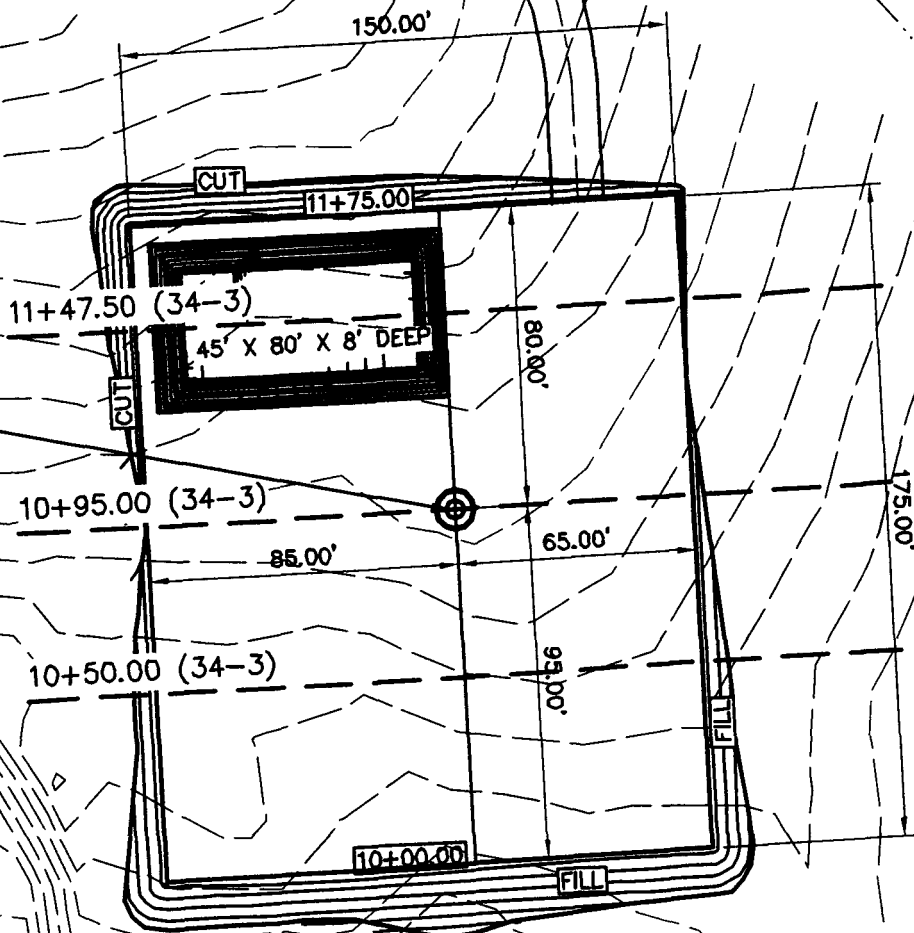
CUT SLOPES = 2:1

FILL SLOPES = 3:1

PIT SLOPES = 1:1

PROPOSED PAD  
ACCESS ROAD  
SEE VICINITY MAP

#34-3  
UNGRADED GROUND  
ELEVATION = 5900.41  
GRADE GROUND  
ELEVATION = 5899.50



**LEGEND**

- PROPOSED LOCATION  
--- EXISTING ROAD  
--- NEW ROADWAY  
--- EXISTING COUNTY ROAD  
--- NEEDING UPGRADE



**WHITMAR EXPLORATION COMPANY**



**Jones & DeMille Engineering**

1535 South 100 West - Richfield, Utah 84701

(435) 896-8266 Phone

(435) 896-8268 Fax

www.jonesanddemille.com

**WHITMAR EXPLORATION**

**PROPOSED WHITMAR WELL #34-3**

Section 34, T.13 S., R.11 E., S.13 E. & M.  
300' FUL 750' FUL

SCALE: 1:50

ENG: B.E.

PROJ.#: 0708-110

DATE: 01/10/2008

DWG.BY: J.E.S.

DWG.NAME: 3D-SITE

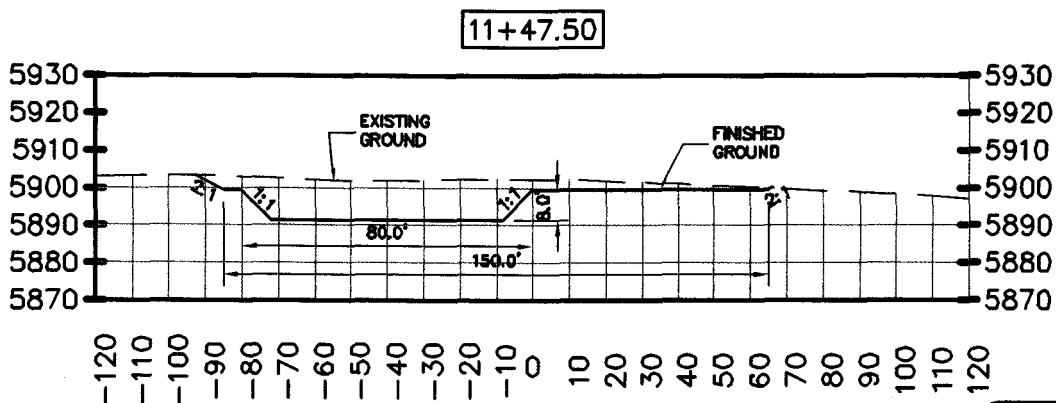
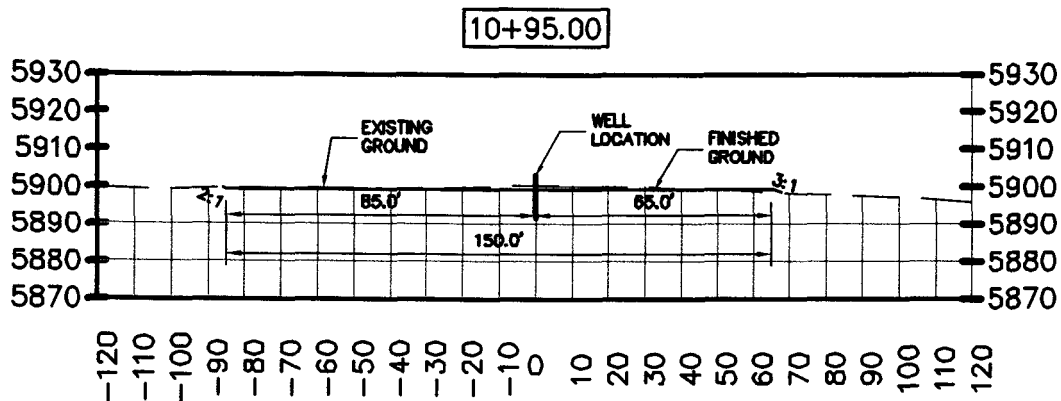
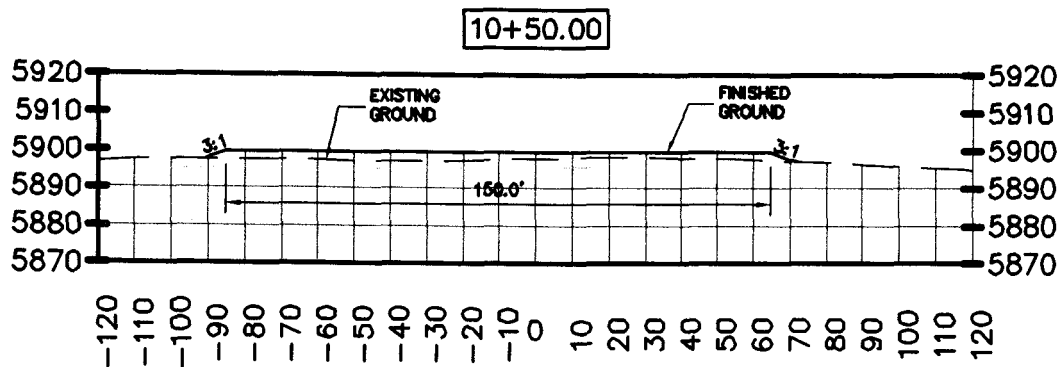


EXHIBIT "L"

**LEGEND**

○ PROPOSED LOCATION  
--- EXISTING ROAD  
--- NEW ROADWAY  
--- EXISTING COUNTY ROAD NEEDING UPGRADE



**WHITMAR EXPLORATION COMPANY**



**Jones & DeMille Engineering**  
1535 South 100 West - Richfield, Utah 84701  
(435) 896-8266 Phone  
(435) 896-8268 Fax  
www.jonesanddemille.com

**WHITMAR EXPLORATION**  
**PROPOSED WHITMAR WELL #34-3**

Section 34, T.13 S., R.11 E., S.1 E. & M.  
308' FEL 750' FEL

SCALE: 1:50

ENG.: B.B.

PROJ.#: 0708-110

DATE: 01/10/2008

DWG.BY: J.E.S.

DWG.NAME: 3D-SITE

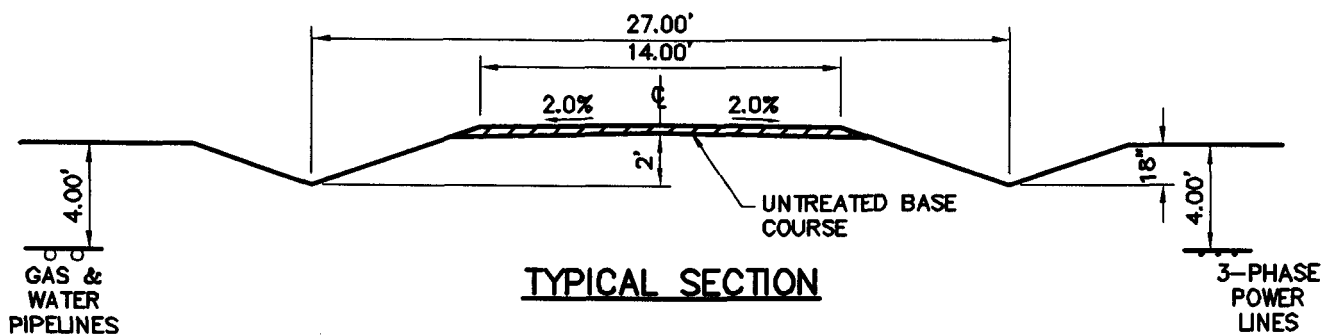


EXHIBIT "M"



WHITMAR EXPLORATION COMPANY



**Jones & DeMille Engineering**

1535 South 100 West - Richfield, Utah 84701  
 (435) 896-8266 Phone  
 (435) 896-8268 Fax  
[www.jonesanddemille.com](http://www.jonesanddemille.com)

**WHITMAR EXPLORATION**

**TYPICAL ROAD SECTION**

**DETAIL SHEET**

SCALE: N/A

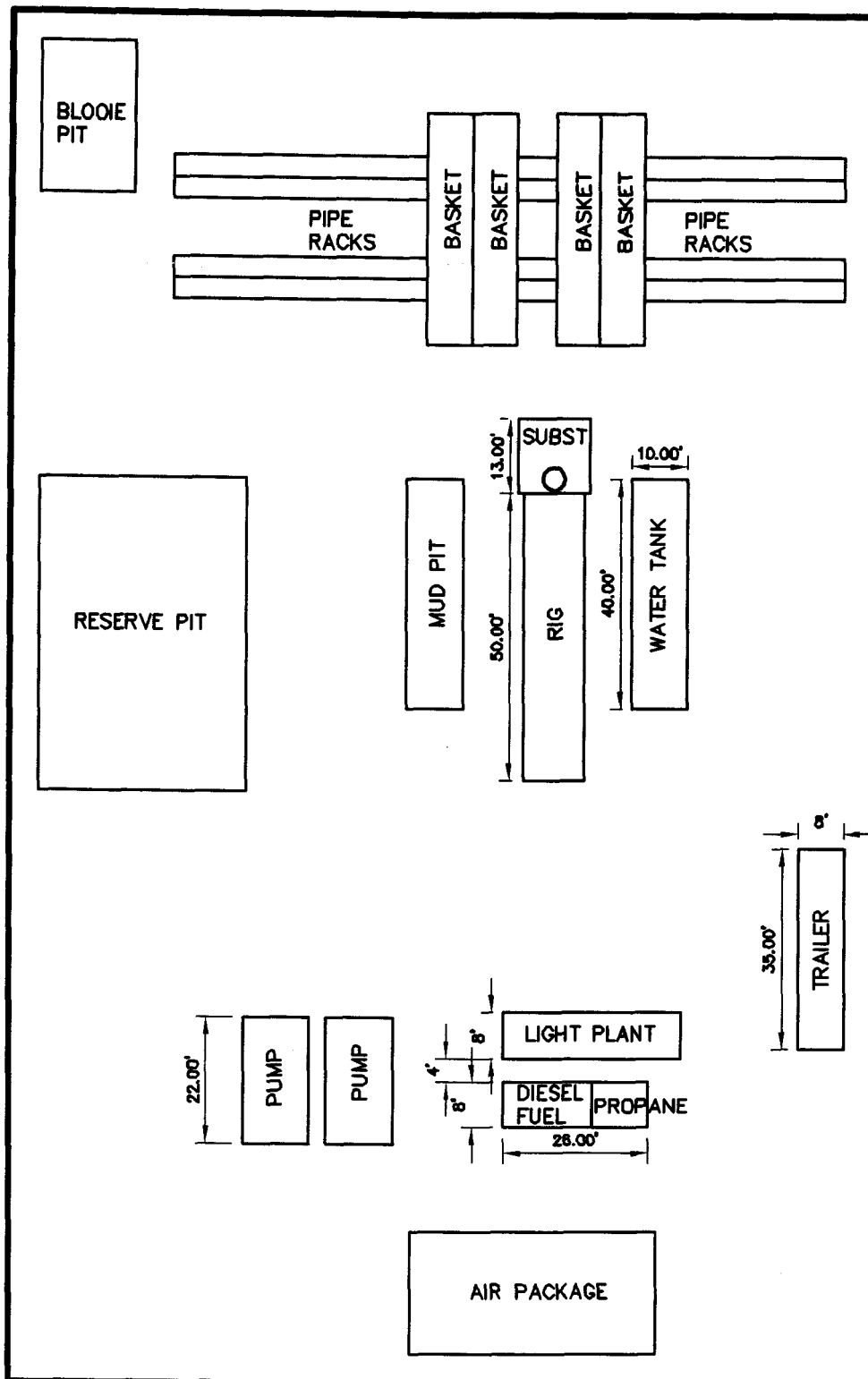
ENG.: B.B.

PROJ. # 0708-110

DATE: 09/06/07

DWG. BY: J.E.S.

DWG. NAME: TS-01



NOTE: DIMENSIONS AND LAYOUT ARE APPROXIMATE

EXHIBIT "N"



WHITMAR EXPLORATION COMPANY



**Jones & DeMille Engineering**

1535 South 100 West - Richfield, Utah 84701

(435) 896-8266 Phone

(435) 896-8268 Fax

www.jonesanddemille.com

**WHITMAR EXPLORATION**

**APPROX. LAYOUT OF RIG & EQUIPMENT**

**DETAIL SHEET**

SCALE: N/A

ENG: B.B.

PROJ#: 0708-110

DATE: 09/11/07

DWG BY: J.E.S.

DWG NAME: TS-01



**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/17/2008

API NO. ASSIGNED: 43-007-31344

WELL NAME: 34-3

OPERATOR: WHITMAR EXPLORATION ( N2585 )

CONTACT: HEATHER MITCHELL

PHONE NUMBER: 303-991-9400

PROPOSED LOCATION:

SWSW 34 130S 110E

SURFACE: 0308 FSL 0759 FWL

BOTTOM: 0308 FSL 0759 FWL

COUNTY: CARBON

LATITUDE: 39.64625 LONGITUDE: -110.6799

UTM SURF EASTINGS: 527469 NORTHINGS: 4388335

FIELD NAME: UNDESIGNATED ( 2 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU80556

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. 104195928 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. MUNICIPAL )  
☒ RDCC Review (Y/N)  
(Date: )  
☒ Fee Surf Agreement (Y/N)  
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

\_\_\_ R649-2-3.  
Unit: \_\_\_\_\_  
\_\_\_ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells  
☒ R649-3-3. Exception  
\_\_\_ Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siti: \_\_\_\_\_  
\_\_\_ R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

T13S R11E

34-2  
\*

34-1  
\*

## HELPER FIELD

34

34-4  
⊙

SWD #1  
⊙

34-3  
⊙

T14S R11E

OPERATOR: WHITMAR EXPL CO (N2584)

SEC: 34 T.13S R. 11E

FIELD: UNDESIGNATED (002)

COUNTY: CARBON

CAUSE: 179-12 / 7-5-2005

**Field Status**  
■ ABANDONED  
■ ACTIVE  
■ COMBINED  
■ INACTIVE  
■ PROPOSED  
■ STORAGE  
□ TERMINATED

**Unit Status**  
□ EXPLORATORY  
□ GAS STORAGE  
□ NF PP OIL  
□ NF SECONDARY  
□ PENDING  
□ PI OIL  
■ PP GAS  
■ PP GEOTHERML  
■ PP OIL  
■ SECONDARY  
□ TERMINATED

### Wells Status

⊙ GAS INJECTION  
⊙ GAS STORAGE  
× LOCATION ABANDONED  
⊙ NEW LOCATION  
⊙ PLUGGED & ABANDONED  
⊙ PRODUCING GAS  
⊙ PRODUCING OIL  
⊙ SHUT-IN GAS  
⊙ SHUT-IN OIL  
⊙ TEMP. ABANDONED  
⊙ TEST WELL  
⊙ WATER INJECTION  
⊙ WATER SUPPLY  
⊙ WATER DISPOSAL  
⊙ DRILLING



PREPARED BY: DIANA MASON  
DATE: 22-JANUARY-2008

# WHITMAR EXPLORATION COMPANY

555 17th Street, Suite 880  
Denver, CO 80202-3908  
(303) 991-9400  
Fax (303) 991-9401

February 13, 2008

Diana Mason  
Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114

Re: Location Exception

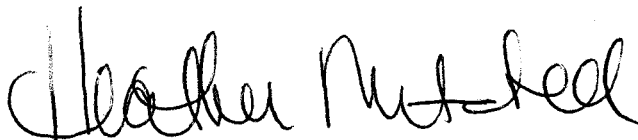
Dear Ms. Mason:

In reference to the State Oil and Gas Conservation Rule R649-3-3, the 34-3 well located in the SW/4 of the SW/4 of Section 34, Township 13S, Range 11E, is an exception to this rule due to topography concerns. The BLM requests that we move to a flatter area of land that is outside the spacing rule.

There are no additional Surface or Mineral owners in a 460' radius in section 34, besides the BLM. Please see enclosed Lease Boundry Map and Ownership report to verify this matter.

Please let me know if you have any questions or concerns.

Sincerely,



Heather Mitchell  
WhitMar Exploration Company

RECEIVED  
FEB 15 2008  
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

February 19, 2008

WhitMar Exploration Company  
555 17th St., Ste. 880  
Denver, CO 80202

Re: 34-3 Well, 308' FSL, 759' FWL, SW SW, Sec. 34, T. 13 South, R. 11 East,  
Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31344.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Carbon County Assessor  
Bureau of Land Management, Moab Office



**Operator:** WhitMar Exploration Company

**Well Name & Number** 34-3

**API Number:** 43-007-31344

**Lease:** UTU-80556

**Location:** SW SW                      Sec. 34                      T. 13 South                      R. 11 East

### **Conditions of Approval**

**1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**2. Notification Requirements**

Notify the division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281    (801) 733-0983 home

**3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

**4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

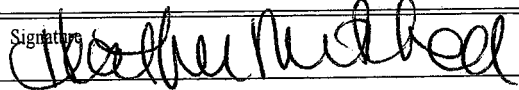
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU80556
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator WhitMar Exploration Company		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 555 17th Street, Suite 880, Denver, CO 80202	3b. Phone No. (include area code) 3033-991-9400	8. Lease Name and Well No. 34-3
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 759' FWL, 308' FSL, SW SW At proposed prod. zone same as above		9. API Well No. 4300731344
14. Distance in miles and direction from nearest town or post office* 8.8 miles from Wellington		10. Field and Pool, or Exploratory Helper
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 759 FWL, 308 FSL		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 34-T13S-11E
16. No. of acres in lease 1640	17. Spacing Unit dedicated to this well N/A	12. County or Parish Carbon
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1573' S & 2370 W	19. Proposed Depth 3000	13. State UT
20. BLM/BIA Bond No. on file <del>1021255928</del> UTBDD00115	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5850 GL	22. Approximate date work will start* 05/01/2008
23. Estimated duration 10 Days		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed/Typed) Heather Mitchell	Date 01/15/2008
Title Operations Coordinator		

Approved by (Signature) /s/ A. Lynn Jackson	Name (Printed/Typed) /s/ A. Lynn Jackson	Date 4/29/08
Title Assistant Division Manager, Division		Office Division of Resources Mead Field Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

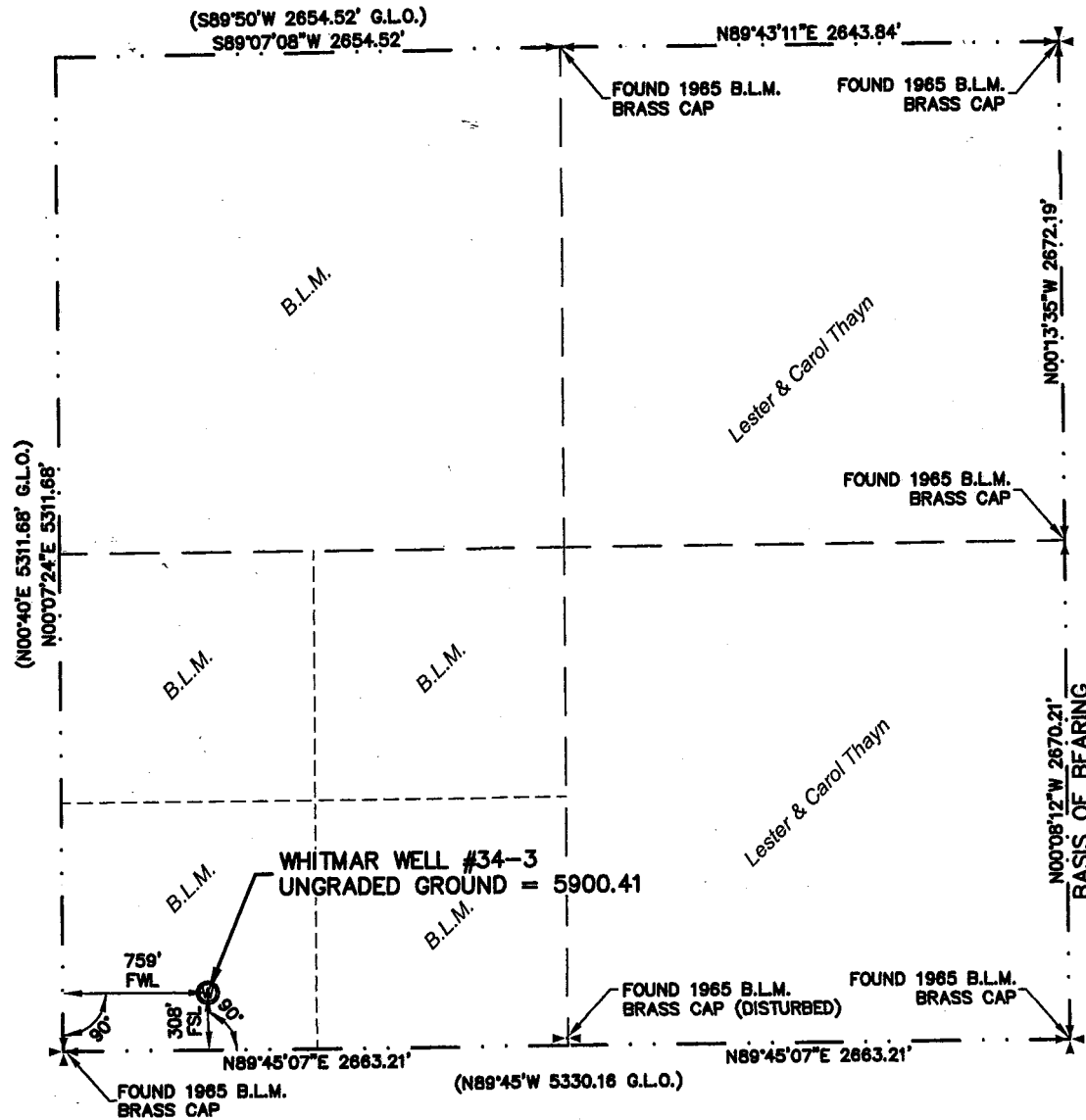
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

RECEIVED  
MAY 05 2008  
DIV. OF OIL, GAS & MINING

# Section 34, T.13 S., R.11 E., S.L.B. & M.



## BASIS OF BEARINGS

BASIS OF BEARING USED WAS N00°08'12"W BETWEEN THE SOUTHEAST CORNER AND THE EAST QUARTER CORNER OF SECTION 34, T.13 S., R.11 E., S.L.B. & M.  
LATITUDE = 39°38'46.3197" (39.64619992) NAD 83  
LONGITUDE = -110°40'50.0645" (-110.68057347) NAD 83

## PROJECT Whitmar Exploration Company

WELL LOCATION, LOCATED AS SHOWN IN THE S.W. 1/4 OF THE S.W. 1/4 OF SECTION 34, T.13 S., R.11 E., S.L.B. & M. CARBON COUNTY, UTAH

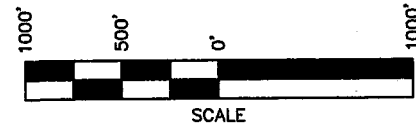
## LEGEND

- ✚ = SECTION CORNERS LOCATED
- ✚ = QUARTER SECTION CORNERS LOCATED
- ⊙ = PROPOSED WELL HEAD

NOTE: THE PURPOSE OF THIS SURVEY WAS TO PLAT THE WHITMAR WELL #34-3 LOCATION. LOCATED IN THE S.W. 1/4 OF THE S.W. 1/4 OF SECTION 34, T.13 S., R.11 E., S.L.B. & M., CARBON COUNTY, UTAH.

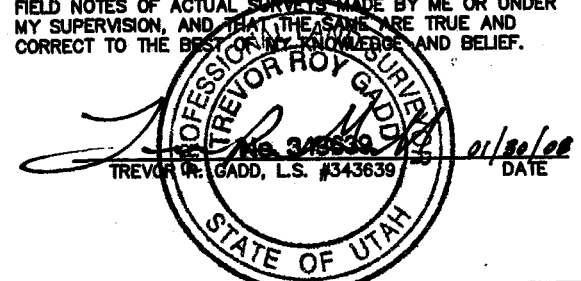
## BASIS OF ELEVATION

BASIS OF ELEVATION OF 5850' BEING AT THE SOUTHEAST CORNER OF SECTION 34, T.13 S., R.11 E., S.L.B. & M. AS SHOWN ON THE U.S.G.S. DEADMAN CANYON QUADRANGLE 7.5 MINUTE SERIES MAP AS 5861'



## CERTIFICATE

THIS IS TO CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION, AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



**Jones & DeMille Engineering**  
1535 South 100 West - Richfield, Utah 84701  
Phone (435) 896-8268  
Fax (435) 896-8268  
www.jonesanddemille.com

Well Location Plat for

Whitmar Exploration Company

DESIGNED	SURVEYED	CHECKED	DRAWN	PROJECT NO.	SHEET NO.
-	J.W.J.	T.R.G.	C.D.S.	0708-110	1
DATE 01/30/08		DWG. NAME WELLLOC343	SCALE 1"=1000'		

**WhitMar Exploration Company**  
**Well No. 34-3**  
Lease U-80556  
SW/SW Section 34, T13S, R11E  
Carbon County, Utah

**A COMPLETE COPY OF THIS APPROVED PERMIT and Conditions of Approval shall be maintained on location during all construction and drilling operations, and shall be available to contractors to ensure compliance.**

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that WhitMar Exploration Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by **UTB000115** (Principal – WhitMar Exploration Company) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of two years from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of subcontractors. Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.



#### A. DRILLING PROGRAM

1. The proposed 2M BOPE is adequate for anticipated conditions. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
3. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply. Among the requirements in this section are:
  - Spark arresters
  - Blooie line discharge 100 feet from wellbore
  - Straight blooie line
  - Deduster equipment
  - Float valve above bit
  - Automatic igniter on the blooie line
4. If cement does not circulate to surface on the production casing, a cement bond log (CBL), or other appropriate tool for determining top-of-cement, shall be run and shall be submitted to BLM.

# Attachment 1-Surface Use Conditions of Approval

## 34-3

### Site Specific Conditions of Approval

1. This well location is within crucial winter range for mule deer and as such is subject to the winter seasonal restriction. No construction/completion/drilling activities are permitted during the following dates (November 15-April 1). This does not apply to routine maintenance or workover operations.
2. Any surface structures to remain on lease greater than six months shall be painted in the following flat, earth tone color: Olive Black (5W A 20-6) prior to their installation. This Fuller O'Brien color is for reference only. Any brand of paint may be used provided the colors match. Any facilities that must be painted to comply with OSHA standards are exempt.
3. Reserve pits will be closed as soon as possible, but no later than 90 days from time of drilling/well completion, unless the BLM Authorized Officer gives an extension. Squeezing of pit fluids and cuttings is prohibited. Pits must be dry of fluids or they must be removed via vac-truck or other environmentally acceptable method prior to backfilling, re-contouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade. The operator will be responsible for re-contouring any subsidence areas that develop from closing a pit before it is sufficiently dry.
4. Interim reclamation will occur at the time of pit closure and approximately 30% of the well pad will be reclaimed with a BLM approved seed mix and according to the standards outlined below.
5. To prevent the introduction of noxious weeds in the area all equipment brought onto location will be power-washed prior to coming into the project area. The operator is responsible for all weed control measures.
6. The reserve pit will be lined with an impermeable liner. An impermeable liner is any liner having a permeability of less than  $10^{-7}$  cm/sec. The liner will be installed so that it will not leak and will be chemically compatible with all substances that may be put in the pit. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. In gravelly or rocky soils, a suitable bedding material such as sand will be used prior to installing the liner.
7. All vegetation required to be removed for the construction of the access road and pad should and be stockpiled. To the extent possible this vegetation should not be crushed. Once reclamation activities begin this stockpiled vegetation should be spread over the disturbed area to facilitate reclamation.

8. Upon completion of the 34-3 well Whitmar Exploration must submit geospatial data depicting all as-built surface disturbances including but not limited to the well location, access roads, pipelines, powerlines and other related facilities. This data must be submitted to the Price Field Office within 90 days of completion of the well. Furthermore the geospatial data must be submitted in a shapefile or geodatabase format and projected in the 1983 North American Datum, Zone 12 UTM projection.

## **Standard Conditions of Approval**

### **A. General**

1. The operator shall contact Nathan Sill (435-636-3668) the Price BLM Office at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.
2. The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be available for communication with the BLM within a reasonable time when construction or other surface disturbing activities are underway.
3. If any cultural values [sites, artifacts, human remains] are observed during operation of this lease/permit/right-of-way, they will be left intact and the Price Field Manager notified. The authorized officer will conduct an evaluation of the cultural values to establish appropriate mitigation, salvage or treatment. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized BLM officer (AO). Within five working days the AO will inform the operator as to:
  - Whether the materials appear eligible for the National Register of Historic Places;

- The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
  - A time-frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction measures.
4. The operator shall restrict travel on unimproved roads during periods of inclement weather or spring thaw when the possibility exists for excessive surface resource damage (e.g., rutting in excess of 4-inches, travel outside roadway, etc.).
  5. The Companies will provide geo-referenced spatial data depicting as-built locations of all facilities, wells, roads, pipelines, power lines, and other related facilities to the BLM by November 1 of each year until completion of project construction activities has occurred.
  6. If any dead or injured threatened, endangered, proposed, or candidate species are located during construction or operation, the BLM Price Field Office (435-636-3600) shall be notified within 24 hours.

## **B. Construction**

1. Construction and surface disturbing activities will not be conducted during periods of frozen or saturated soils when watershed damage or excessive rutting is likely to occur.
2. Remove all available topsoil from constructed well locations including areas of cut and fill and stockpile at the site. Topsoil will also be salvaged for use in reclamation on all other areas of surface disturbance (roads, pipelines, etc.). Clearly segregate topsoil from excess spoil material. Any topsoil stockpiled for one year or longer will be signed and stabilized in accordance with the BLM.
3. Drill pads or facility sites are to be designed to prevent overland flow of water from entering or leaving the site. Storm water collected on disturbed sites will be prevented from flowing off the site and the pad is to be sloped to provide for zero runoff. The drill pad shall be designed to disperse diverted overland flow and to regulate flow velocity so as to prevent or minimize erosion. Well pad diversion outlets shall be equipped with rock energy brakes and gravel-bedded dispersion fans.

4. The operator will not push soil material and overburden over side slopes or into drainages. All soil material disturbed will be placed in an area where it can be retrieved without creating additional undue surface disturbance and where it does not impede watershed and drainage flows.
5. Construct the backslope no steeper than 1½:1, and construct the foreslope no steeper than 2:1, unless otherwise directed by the BLM Authorized Officer.
6. Maintain a minimum 20-foot undisturbed vegetative border between toe-of-fill of pad and/or pit areas and the edge of adjacent drainages, unless otherwise directed by the BLM Authorized Officer.
7. Reserve pits will be adequately fenced during and after drilling operations until pit is reclaimed so as to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows:
  - Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed.
  - Construction standards: Posts shall be firmly set in ground. If wire is used, it must be taut and evenly spaced, from ground level to top wire, to effectively keep out animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.
8. The reserve pit will be oriented to prevent collection of surface runoff. After the drilling rig is removed, the operator may need to construct a trench on the uphill side of the reserve pit to divert surface drainage around it. If constructed, the trench will be left intact until the pit is closed.
9. The reserve pit shall have 2 foot of freeboard maintained at all times to prevent overflow of fluids.
10. Culverts will be placed on channel bottoms on firm, uniform beds, which have been shaped to accept them, and aligned parallel to the channel to minimize erosion. Backfill will be thoroughly compacted.
11. The minimum diameter for culverts will be 18 inches. However, all culverts will be appropriately sized in accordance with standards in BLM Manual 9113.

12. Construction and other project-related traffic will be restricted to approved routes. Cross-country vehicle travel will not be allowed.
13. Maximum design speed on all operator-constructed and maintained roads will not exceed 25 miles per hour and all access roads and well location speed limits will not exceed 15 miles per hour.
14. Pipeline construction shall not block nor change the natural course of any drainage. Pipelines shall cross perpendicular to drainages. Pipelines shall not be run parallel in drainage bottoms. Suspended pipelines shall provide adequate clearance for maximum runoff.
15. Pipeline trenches shall be compacted during backfilling. Pipeline trenches shall be routinely inspected and maintained to ensure proper settling, stabilization and reclamation.
16. The operator shall submit a Sundry Notice (Form 3160-5) to BLM for approval prior to construction of any new surface disturbing activities that are not specifically addressed in the approved APD.
17. In the event construction can't be completed prior to winter closures, measures to prevent erosion from upcoming spring snowmelt should be taken as follows:
  - a. Loose earth and debris must be removed from drainages, and flood plains. Earth and debris should not be stockpiled on drainage banks.
  - b. Road drainages should be checked to ensure there are none with uncontrolled outlet.
  - c. Be sure all ditch drainages have an outlet to prevent ponding. If necessary, build temporary sediment ponds to capture runoff from unreclaimed areas. Re-route ditches as needed to avoid channeling water through loosened soil.

### **C. Operations/Maintenance**

1. If in the process of air drilling the wells there is a need to utilize mud, all circulating fluids will be contained either in an approved pit or in an aboveground containment tank. The pit or containment tank will be large enough to safely contain the capacity of all expected fluids without danger of overflow.
2. All waste, other than human waste and drilling fluids, will be contained in a portable trash cage. This waste will be transported to a State approved waste disposal site immediately upon completion of drilling operations. No trash or empty barrels will be placed in the reserve pit or buried on location. All state and local laws and regulations pertaining to disposal of human and solid waste will be complied with.

3. Rat and mouse holes shall be filled and compacted from the bottom to the top immediately upon release of the drilling rig from the location.
4. The operator will be responsible for prevention and control of noxious weeds and weeds of concern on all areas of surface disturbance associated with this project (well locations, roads, water management facilities, etc.) Use of pesticides shall comply with the applicable Federal and State laws. Pesticides shall be used only in accordance with their registered uses and within limitations imposed by the Secretary of Interior. Prior to the use of pesticides on public land, the holder shall obtain from the BLM authorized officer written approval of a plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the authorized officer to such use.
5. The operator and their contractors shall ensure that all use, production, storage, transport and disposal of hazardous and extremely hazardous materials associated with the drilling, completion and production of these wells will be in accordance with all applicable existing or hereafter promulgated federal, state and local government rules, regulations and guidelines. All project-related activities involving hazardous materials will be conducted in a manner to minimize potential environmental impacts. In accordance with OSHA requirements, a file will be maintained onsite containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds and/or substances which are used in the course of construction, drilling, completion and production operations.
6. Hydrocarbons shall be put in test tanks on location during completion work. Produced water will be put in the reserve pit during completion work per Onshore Order #7.
7. The only fluids/waste materials which are authorized to go into the reserve pit are RCRA exempt exploration and production wastes. These include:
  - drilling muds & cuttings
  - rigwash
  - excess cement and certain completion & stimulation fluids defined by EPA as exempt

It does not include drilling rig waste, such as:

- spent hydraulic fluids
- used engine oil
- used oil filter
- empty cement, drilling mud, or other product sacks
- empty paint, pipe dope, chemical or other product containers
- excess chemicals or chemical rinsate

Any evidence of non-exempt wastes being put into the reserve pit may result in the BLM Authorized Officer requiring specific testing and closure requirements.

8. If this well is drilled during the fire season (June-October), the operator shall institute all necessary precautions to ensure that fire hazard is minimized, including but not limited to mowing vegetation on the access route(s) and well location(s), keeping fire fighting equipment readily available when drilling, etc.

#### **D. Producing Well**

1. Landscape those areas not required for production to the surrounding topography as soon as possible.
2. Production facilities (including dikes) must be placed on the cut portion of the location and a minimum of 15 feet from the toe of the back cut unless otherwise approved by the BLM Authorized Officer.
3. Any spilled or leaked oil, produced water or treatment chemicals must be reported in accordance with NTL-3A and immediately cleaned up in accordance with BLM requirements. This includes clean-up and proper disposition of soils contaminated as a result of such spills/leaks.
4. Distribute stockpiled topsoil evenly over those areas not required for production and reseed as recommended.
5. Upgrade and maintain access roads and drainage control (e.g., culverts, drainage dips, ditching, crowning, surfacing, etc.) as necessary and as directed by the BLM Authorized Officer to prevent soil erosion and accommodate safe, environmentally-sound access.
6. Prior to construction of production facilities not specifically addressed in the APD, the operator shall submit a Sundry Notice to the BLM Authorized Officer for approval.
7. Waterbars shall be installed on all reclaimed pipeline corridors per the guidelines in F #12.

#### **E. Roads and Pipelines**

1. Roads constructed on BLM lands would be constructed to allow for drainage and erosion control. The operator is responsible for maintenance of all roads authorized through the lease or right-of-way. Construction and maintenance shall comply with Class III Road Standards with a 16-ft wide graveled travel surface as described in BLM Manual Section 9113, the BLM Gold Book standards and the Moab District Road Standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, and headcut restoration/prevention.



2. Topsoil from access roads and pipelines are to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.
3. The operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction. A PE shall certify (statement with PE stamp) that the road was constructed to the required Bureau of Land Management (BLM) road standards.
4. Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipaters as needed to avoid erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipaters and gravel dispersion fans may be used, or any other design which would accomplish the desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting.

#### **F. Dry Hole/Reclamation**

1. Disturbed lands will be re-contoured back to conform with existing undisturbed topography.
2. Before the location has been reshaped and prior to redistributing the topsoil, the operator will rip or scarify the drilling platform and access road on the contour, to a depth of at least 12 inches. The rippers are to be no farther than 24 inches apart.
3. Distribute the topsoil evenly over the entire location and other disturbed areas. Prepare the seedbed by disking to a depth of 4-to-6 inches following the contour.
4. Phased reclamation plans will be submitted to BLM for approval prior to individual POD facility abandonment via a Notice of Intent (NOI) Sundry Notice. Individual facilities, such as well locations, pipelines, discharge points, impoundments, etc. need to be addressed in these plans as they are no longer needed. Individual items that will need to be addressed in reclamation plans include:
  - Pit closure (Close ASAP after suitably dry, but no later than 90 days from time of drilling unless an extension is given by BLM Authorized Officer.) BLM may require closure prior to 90 days in some cases due to land use or environmental concerns.
  - Configuration of reshaped topography, drainage systems, and other surface manipulations
  - Waste disposal

- Revegetation methods, including specific seed mix (pounds pure live seed/acre) and soil treatments (seedbed preparation, fertilization, mulching, etc.). On private surface, the landowner should be consulted for the specific seed mix.
  - Other practices that will be used to reclaim and stabilize all disturbed areas, such as water bars, erosion fabric, hydro-mulching, etc.
  - An estimate of the timetables for beginning and completing various reclamation operations relative to weather and local land uses.
  - Methods and measures that will be used to control noxious weeds, addressing both ingress and egress to the individual well or POD.
  - Decommissioning/removal of all surface facilities
5. BLM will not release the performance bond until all disturbed areas associated with the APD/POD have been successfully revegetated (evaluation will be made after the second complete growing season) and has met all other reclamation goals of the surface owner and surface management agency.
  6. A Notice of Intent to Abandon and a Subsequent Report of Abandonment must be submitted for abandonment approval.
  7. For performance bond release approval, a Final Abandonment Notice (with a surface owner release letter on split-estate) must be submitted prior to a final abandonment evaluation by BLM.
  8. Soil fertility testing and the addition of soil amendments may be required to stabilize some disturbed lands.
  9. Any mulch utilized for reclamation needs to be certified weed free.
  10. Waterbars are to be constructed at least one (1) foot deep, on the contour with approximately two (2) feet of drop per 100 feet of waterbar to ensure drainage, and extended into established vegetation. All waterbars are to be constructed with the berm on the downhill side to prevent the soft material from silting in the trench. The initial waterbar should be constructed at the top of the backslope. Subsequent waterbars should follow the following general spacing guidelines:

Slope (percent)	Spacing Interval (feet)
≤ 2	200
2 – 4	100
4 – 5	75
≥ 5	50

### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Notify the Price Field Office at least 48-hours prior to commencing construction of location.

Spud- Notify the Price Field Office 24-hours prior to spud. Submit written notification of spud (Sundry Notice, Form 3160-5) to the Moab Field Office within 24-hours after spud, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports that describe the progress and status of the well shall be submitted to the Moab Field Office on a weekly basis. This report may be in any format customarily used by the operator.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- Any modification to the proposed drilling program shall be submitted to the Moab Field Office on a Sundry Notice (Form 3160-5). Regulations at 43 CFR 3162.3-2 describe which operations require prior approval, and which require notification.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, immediately notify the Price Field Office, and work that might disturb the cultural resources shall cease.

First Production- A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Price Field Office.

Notify the Moab Field Office when the well is placed into production. Initial notification may be verbal, but must be confirmed in writing within five business days. Please include the date production started, the producing formation and production volumes.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, a *Well Completion or Recompletion Report and Log* (Form 3160-4) shall be submitted to the Moab Field Office within thirty-days after completion of the well. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered to be shut-in until the gas can be captured or until approval to continue the venting/flaring pursuant to NTL-4A is granted. Compensation shall be due for gas that is vented/flared without approval.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling of production prior to the sales measurement point. The term "commingling" describes both the combining of production from different geologic zones and/or combining production from different leases or agreement areas.

Plugging and Abandonment- If the well is a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Sundry Notice, Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price Field Office or the appropriate surface managing agency.

#### TABLE 1

#### NOTIFICATIONS

Notify Walton Willis (435-636-3662), Randy Knight (435-636-3615), Don Stephens (435-636-3608) or Nathan Sill (435-636-3668) of the BLM Price Field Office for the following:

2 days prior to starting dirt work, construction and reclamation (Stephens or Sill);

1 day prior to spud (Stephens or Sill);

24 hours prior to reaching the surface casing setting depth (Willis or Knight);

24 hours prior to testing BOP equipment (Willis or Knight).

If the person at the above number cannot be reached, notify the BLM Moab Field Office at 435-259-2100.

Well abandonment operations require 24-hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained from:

Eric Jones, Petroleum Engineer

Office: 435-259-2117  
Home: 435-259-2214

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 80556
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 759' FWL, 308' FSL SW SW QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 34 13S 11E		8. WELL NAME and NUMBER: 34-3
PHONE NUMBER: (303) 991-9400		9. API NUMBER: 4300731344
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Helper
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extend State Permit</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

WhitMar Exploration Company hereby requests a one (1) year extension of the state permit for the 34-3

This is the first extension that has been requested.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-23-09  
By: [Signature]

COPY SENT TO OPERATOR

Date: 3-4-2009  
Initials: LS

NAME (PLEASE PRINT) <u>Tammy L Garrett</u>	TITLE <u>Operations Coordinator</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2-18-09</u>

(This space for State use only)

RECEIVED  
FEB 23 2009

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4300731344  
**Well Name:** 34-3  
**Location:** SW/SW Section 34-13S-11E  
**Company Permit Issued to:** WhitMar Exploration Company  
**Date Original Permit Issued:** 2/19/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

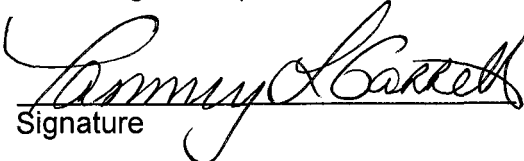
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

  
Signature

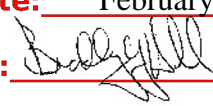
2-18-09  
Date

Title: Operations Coordinator

Representing: WhitMar Exploration Company

RECEIVED  
FEB 23 2009

D:\M\Oil\2009\FEB\23\2009

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>			
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU80556			
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>			
<b>2. NAME OF OPERATOR:</b> WHITMAR EXPLORATION COMPANY		<b>7. UNIT or CA AGREEMENT NAME:</b>			
<b>3. ADDRESS OF OPERATOR:</b> 555 17th Street, Suite 880 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> 34-3			
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0308 FSL 0759 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 34 Township: 13.0S Range: 11.0E Meridian: S		<b>9. API NUMBER:</b> 43007313440000			
<b>PHONE NUMBER:</b> 303 991-9400 Ext		<b>9. FIELD and POOL or WILDCAT:</b> UNDESIGNATED			
<b>COUNTY:</b> CARBON		<b>STATE:</b> UTAH			
<b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>					
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>				
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 9/1/2010  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION         </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER         </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input checked="" type="checkbox"/> APD EXTENSION          OTHER: _____       </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____
<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____			
<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b> WhitMar Exploration Company hereby requests a one (1) year extension of the state permit for the 34-3. This is the second extension that has been requested.					
<b>Approved by the Utah Division of Oil, Gas and Mining</b>  <b>Date:</b> February 16, 2010 <b>By:</b> 					
<b>NAME (PLEASE PRINT)</b> Tammy L. Garrett		<b>PHONE NUMBER</b> 303 991-9400			
<b>SIGNATURE</b> N/A		<b>TITLE</b> Operations Coordinator			
<b>DATE</b> 2/9/2010					



## The Utah Division of Oil, Gas, and Mining

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

### Request for Permit Extension Validation Well Number 43007313440000

**API:** 43007313440000

**Well Name:** 34-3

**Location:** 0308 FSL 0759 FWL QTR SWSW SEC 34 TWP 130S RNG 110E MER S

**Company Permit Issued to:** WHITMAR EXPLORATION COMPANY

**Date Original Permit Issued:** 2/19/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

**Signature:** Tammy L Garrett

**Date:** 2/9/2010

**Title:** Operations Coordinator **Representing:** WHITMAR EXPLORATION COMPANY

**Date:** February 16, 2010

**By:** 

**RECEIVED** February 09, 2010



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**CONFIDENTIAL**

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU 80556

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

N/A

2. NAME OF OPERATOR:

Whitmar Exploration Company

8. WELL NAME and NUMBER:

Federal 34-3

9. API NUMBER:

4300731344

3. ADDRESS OF OPERATOR:

555 17th St, Suite 880 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:

(303) 991-9400

10. FIELD AND POOL, OR WILDCAT:

East Helper

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 759"FWL, 308" FSL

COUNTY: Carbon County

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SEC 34-13S-11E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request APD extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Requesting an extension of drilling permit for 34-3  
(expires 2/19/2011) - original permit 2/19/2008

Approved by the  
Utah Division of  
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 3-7-2011

Initials: KS

Date: 02-23-11

By: [Signature]

NAME (PLEASE PRINT)

Samantha Moody

TITLE

Office Administrator

SIGNATURE

[Signature]

DATE

2/16/11

(This space for State use only)

RECEIVED

FEB 22 2011

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4300731344  
Well Name: 34-3  
Location: Carbon Co, Utah  
Company Permit Issued to: Whitmar Exploration Co.  
Date Original Permit Issued: 2/19/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Sullivan  
Signature

2/16/11  
Date

Title: Office Administrator

Representing: Whitmar Exploration Company



GARY R. HERBERT  
Governor

GREG BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 15, 2012

Whitmar Exploration Company  
555 17<sup>th</sup> St, Suite 880  
Denver, CO 80202

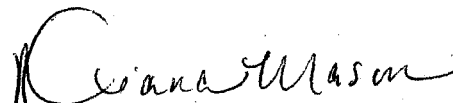
Re: APD Rescinded – 34-3 Sec. 34, T.13S, R. 11E  
Carbon County, Utah API No. 43-007-31344

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 19, 2008. On February 23, 2009, February 16, 2010 and February 23, 2011 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 14, 2012.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Price